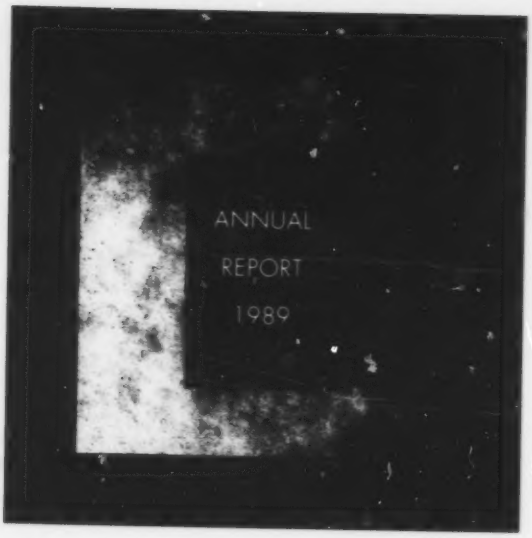


CSST

Commission
de la santé
et de la sécurité
du travail

	1989	1988
* Workers covered	2,468,732	2,452,161
Employers' files	182,322	176,561
Establishments	213,558	194,940
Request for prevention-inspection interventions	19,506	19,652
Assistance, evaluation, and control	13,092	13,299
Investigations of accidents	700	739
Interventions following complaints	5,233	5,299
Applications of the right to refuse	308	299
Disputes	173	16
Prevention programs submitted[1]	2,987	3,146
Health programs received[1]	1,811 [2]	3,613
Health and safety committees formed under the Act[3]	658	676
Files opened following employment injuries	251,557	261,905
Accidents involving time off work accepted and compensated[4]	214,720	213,438
Other accidents[5]	29,056	41,750
Occupational diseases involving time off work, accepted and compensated[4]	4,010	2,429
Other occupational diseases[5]	3,771	4,288
Deaths occurred	181 [6]	129
Benefit claims under the right to protective reassignment of pregnant or breast-feeding workers	18,043	16,111
Average assessment rate	$ 2.75	$ 2.75
Maximum annual insurable earnings	$ 38,000	$ 36,500
Employer assessments	$ 1,530,181,000	$ 1,437,703,000
Investment income and interest on assessments	$ 428,742,000	$ 315,195,000
Total expenditure of the Commission[7]	$ 1,753,213,000	$ 1,650,837,000
Compensation programs[7,8]	$ 1,293,247,000	$ 1,063,085,000
Prevention programs	$ 67,421,000	$ 68,291,000
Administration expenses[7]	$ 168,638,000	$ 140,482,000
Reimbursement of assessments	$ 25,400,000	$ 187,000,000
Deviations concerning the real rate of return	$ 162,201,000	$ 172,157,000
Other expenses	$ 36,306,000	$ 19,882,000
Rate of capitalization	65.80%	58.81%

1. Establishments of 21 workers or more, Groups I, II, and III.
2. Data supplied by HC-CHDs: incomplete since certain data were unavailable. In addition, these data cannot be compared with 1988 data since the latter included information from establishments of 20 workers or less.
3. Establishments of 21 workers or more, Groups I and II.
4. Includes files opened during the year, and in which a death was noted.
5. The "other" categories mainly comprise injuries not involving time off work, refused claims, and claims still being processed. However, the 1989 figures include 36 industrial accident files and 456 occupational disease files not involving time off work following the incident, and in which there was at least some amount paid for bodily injury. These data are not available for 1988.
6. This figure includes 158 deaths relating to industrial accidents, and 23 to occupational diseases. According to data compiled by the Prevention-Inspection Services, in 1989 the Commission recorded 112 fatal workplace accidents, causing 128 deaths.
7. Excluding costs assessed to the Federal and Québec governments, and employers held personally responsible for the payment of claims.
8. Including the protective reassignment program for pregnant or breast-feeding workers.

* The masculine used in this report applies to women as well as men, wherever applicable.

93-01611/

ANNUAL REPORT 1989

This annual report was produced by the Direction des communications and the Secrétariat of the *Commission de la santé et de la sécurité du travail*.

© *Commission de la santé et de la sécurité du travail du Québec*.

Legal deposit - 3rd quarter 1990
Bibliothèque nationale du Québec
ISBN 2-550-20840-4
ISSN 0712-6085

Graphic design:
Bouvry Bienvenu Castonguay & Associés inc.

Translation :
Les Textes Grig inc.

Reproduction permitted if source credited.

MR. JEAN-PIERRE SAINTONGE
President of the National Assembly
Québec

Mr. President:

I have the honour to present you the Annual Report of the *Commission de la santé et de la sécurité du travail* for the year 1989, as submitted to me by its President and Chief Executive Officer.

Yours very respectfully,

Yves Séguin
Minister of Labour and Minister of Revenue

MR. YVES SÉGUIN
Minister of Labour and Minister of Revenue
Government of Québec

Mr. Minister:

In accordance with Section 163 of the Act respecting occupational health and safety, I have the honour to present you the Annual Report of the *Commission de la santé et de la sécurité du travail* for the year 1989.

Yours very respectfully,

Robert Diamant
President and Chief Executive Officer

TABLE OF CONTENTS

MESSAGE FROM THE PRESIDENT AND CHIEF EXECUTIVE OFFICER 8

MANDATE AND ORGANIZATION OF THE COMMISSION 11

Human Resources 13

Internal Audits 13

ADMINISTRATION OF THE PLAN IN 1989 16

Board of Directors 16

Executive Committee 20

Audits Committee 20

Management Committee 20

FINANCIAL STATEMENTS FOR 1989 24

MAJOR ACHIEVEMENTS IN 1989 46

VICE-PRESIDENCY, FINANCE 47

Assessment Results 48

Merit/Demerit Plan 49

Commission's Financial Position at 1989 Fiscal Year End 50

Management of Funds 52

VICE-PRESIDENCY, OPERATIONS 53

Scale of Bodily Injuries Regulation 54

Accident Notices and Claims 55

Services Available to Workers and Benefits Paid 56

Benefits Following Protective Reassignment of Pregnant or Breast-Feeding Workers 58

Benefits for Victims of Crimes or Rescue Acts (Good Citizenship) 58

Introduction and Operation of Prevention Mechanisms 59

Commission Interventions 59

Redress and Conciliation 60

VICE-PRESIDENCY, PLANNING AND PROGRAMS 61

Occupational Health and Safety Information 61

Consultation, Evaluation of Programs, and Planning 62

Prevention and Inspection Programming 64

Rehabilitation and Compensation Programming 65

VICE-PRESIDENCY, LIAISON WITH BENEFICIARIES 66

Processing of Complaints and Requests for Intervention 66

Service and Support to the Beneficiaries 67

Monitoring and Advisory Role 67

VICE-PRESIDENCY, SERVICES 68

Human Resources 68

Material Resources 69

Legal Services 69

COMMISSION'S REVIEW PROCESS 70

LIST OF TABLES

1. The Commission's Operating Structure 14
2. Merit or Demerit Calculated in 1989 49
3. Commission Expenditure in 1989 50
4. Commission's Capitalization Level from 1980 to 1989 50
5. Distribution of Commission Funds Entrusted to the *Caisse de dépôt et placement du Québec*, according to their Equity Value, on December 31, 1989 52
6. Number of Files Opened during the Year, by Incident (1988-1989) 55
7. Deaths Occurred during the Year, following Employment Injuries (1988-1989) 55
8. Distribution of Benefits Paid for Employment Injuries, by Category (1988-1989) 56
9. Number of Annuities, by Governing Legislation (1988-1989) 57
10. Establishments of 21 or More Workers from Groups I, II and III which Have Introduced Prevention Mechanisms (1989) 59
11. Commission Interventions in Establishments and Measures Taken, by Type of Intervention (1989) 60
12. Review Requests Received and Decisions Handed Down by the Joint Review Offices (1987-1989) 71

APPENDICES

Statistics by Region (1989) 74

Statistics by Economic Sector (1989) 76

Income, Expenses, and Other Financial Statistics (1980-1989) 79

Other Financial Statistics (1980-1989) 80

MESSAGE OF THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

MR. ROBERT DIAMANT
President and Chief Executive Officer

THE OBJECTIVES FOR THE 1989 FISCAL YEAR WERE SPECIFIC: PROVIDE BETTER service to workers and employers and rectify the organization's financial situation. The fulfillment of these goals has led to wide-scale activity. The design and implementation of the new assessment method were clearly one of the most important of these activities. First designed as a means of sharing the risks more equitably and stabilizing the assessment rate, the new method of assessment also promotes prevention of industrial accidents and occupational diseases. While meeting the financial needs of the insurance plan, it encourages employers to take measures to reduce the number and gravity of employment injuries in the workplace.

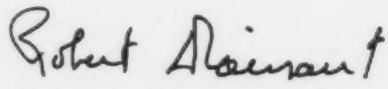
The Commission's financial situation continued to improve despite the significant rise in the cost of compensation programs and the protective reassignment of pregnant and breast-feeding workers program. Income derived from assessments increased 6.4 % compared to last year, while total income rose by 12.1 %. Thanks to an excess of income over expenditure, the Commission was able to reduce its unfunded liability and increase its capitalization level from 58.81% in December 1988 to 65.80% at 1989 year's end.

In order to improve service to the clientele and increase the efficiency of the organization, the Commission took several provisions this year and made modifications, whose beneficial effects will be felt in the medium and long term. Thus, with the adoption of a master plan for information systems development the CSST will be equipped with modern management tools. Specific measures taken to achieve these goals included the updating of an improvement plan for joint-review-office activities, the organization of information days for the beneficiaries, the establishment of staff training programs, and the development of policies and information and evaluation documents.

However, the concept of health and safety is constantly evolving and we must continually adjust to the needs of the workers and employers. Accordingly, the CSST has begun to study a plan of action to revise certain terms of application of the Act and create more flexibility in the administrative apparatus. In the next few months, the CSST will focus on eligibility criteria in both the plan and the various programs, and the quality and relevance of initial decisions. It will try to curb the bureaucracy and increase the effectiveness of the appeal mechanism, and address the problem of revaluation of medical consolidation and rehabilitation benefits paid under the *Workmen's Compensation Act*.

It will examine the feasibility of introducing a system by which the complaints of beneficiaries and employers can be treated effectively and equitably. Finally, the CSST will continue its actions to complete the implementation of the *Act respecting occupational health and safety* and conclude an agreement with the Ministry of Health and Social Services concerning occupational health programs.

It is clear that the 1990 agenda is already quite full, and flexibility and imagination will be needed to fulfill its commitments. However, thanks to the Board of Directors' support, and the skill and devotion of its managers and staff, the CSST is ready to face the challenge so that the Québec occupational health and safety plan can achieve its optimum level of performance.



ROBERT DIAMANT

MANDATE AND ORGANIZATION OF THE COMMISSION

The *Commission de la santé et de la sécurité du travail* is the agency entrusted by the Government with the administration of the occupational health and safety plan. It is a joint body whose Board of Directors consists of an equal number of Québec labour and employer representatives.

In the area of **prevention**, the Commission's role is to enable workers, employers, and their respective associations to take part in improving health and safety conditions in the workplace and to fully assume their rights and obligations set out by law. Its duties involve the establishment of standards, support for the implementation and operation of prevention programs and participation mechanisms, health services, as well as training, information and research services. The Commission is also responsible for monitoring the enforcement of occupational health and safety standards and regulations, as well as ensuring, in the workplace, that the rights and obligations conferred by law upon workers and employers are respected. The Commission has sole authority over work inspection and its jurisdiction extends to every aspect of health and safety at work.

Under its **rehabilitation-compensation** mandate, the Commission provides victims of employment injuries and victims of criminal acts or acts of good citizenship all the services to which they are entitled. Its responsibilities, other than the payment of benefits, include rehabilitation aimed at a return to self-sufficiency or reintegration to the labour market, medical assistance, and the right to return to work. The Commission is also responsible for providing compensation to pregnant or breast-feeding workers who exercise their right to protective reassignment.

As to **funding**, the Commission has full powers, within the limits prescribed by the Act, to set and collect assessments from employers required to contribute to its accident fund. To this end, it must ensure that these employers are registered and classified for the purpose of assessment. The contributions it collects must enable it to cover the cost of accidents, the cost of prevention under the Act, and administrative and overhead expenses.

The varied mandate of the CSST is governed by the seven acts it administers:

. the *Act respecting occupational health and safety* (R.S.Q., c. S-2.1), which created the Commission and entrusted it with its multifaceted mandate;

. the *Act respecting industrial accidents and occupational diseases* (R.S.Q., c. A-3.001), which established a new occupational injuries compensation scheme effective August 19, 1985, replacing plans governed by the *Workmen's Compensation Act*, and the *Act respecting indemnities for victims of asbestosis and silicosis in mines and quarries*;

. the *Workmen's Compensation Act* (R.S.Q., c.A-3), which provides a compensation plan for all occupational accidents and deaths that occurred before August 19, 1985, and occupational diseases for which a claim was filed before that date;

. the *Act respecting indemnities for victims of asbestosis and silicosis in mines and quarries* (R.S.Q., c. I-7) setting out special compensation for mine and quarry workers suffering from asbestosis and silicosis. Those receiving a pension under this Act before August 19, 1985 continue to receive it;

. the *Crime Victims Compensation Act* (R.S.Q., c. I-6) and the *Act to promote good citizenship* (R.S.Q., c.c-20) whose compensation principles are the same as those of the *Workmen's Compensation Act*;

. the *Government Employees Compensation Act* (R.S.C., 1985, c. G-5), a federal Act enabling the CSST to determine compensations for federal employees, according to rates and conditions prescribed by the provincial legislation. The application of this Act is the subject of an agreement between the Commission and the federal department involved.

LEGISLATIVE CHANGES

During 1989, the National Assembly adopted the *Act to amend the Act respecting industrial accidents and occupational diseases* (1989, c. 74) to establish a new method of assessing employers, effective January 1, 1990.

No other change to the laws administered by the Commission was adopted in 1989.

COURT DECISIONS

Some of the numerous occupational health and safety decisions handed down in 1989 have had major impact on the Commission.

On April 24, 1989, the Supreme Court of Canada dismissed, on the the bench, the appeal from the Newfoundland Court of Appeal judgment, a case known as the *Piercey Case* [(1989) 1 R.C.S. 922, conf. (1988) 44 D.L.R. 501] which had concluded that the workers' compensation plan is neither discriminatory nor contrary to the *Canadian Charter of Rights and Freedoms* because it prohibits the injured worker from taking recourse under common law against his employer who was responsible for the accident. These judgments thus confirm the validity of the principle underlying all provincial workers' compensation plans: the employer has to belong to the plan to protect workers from injury hazards, in return for which he benefits from civil immunity.

In the area of protective reassignment for pregnant or breast-feeding workers, the Superior Court dismissed requests for appeal against the *Commission d'appel en matière de lésions professionnelles*. Jurisprudence shows that the medical certificate produced by the worker is *prima facie* evidence of the dangers referred to and can only be dismissed by overwhelming evidence that such dangers do not exist, and not merely that they are improbable (*Cité de la santé de Laval* c. CALP and CSST, 1989, CALP 655 and *Hôpital Royal Victoria* c. CALP and CSST, 1989, CALP 1218). Although one of these judgments has been submitted to the Court of Appeal, the Commission modified its directives during 1989 to take this policy into account.

COMMISSION'S OPERATIONAL MODEL

For several years, the Commission's guiding principle has been to integrate the various facets of its mandates and regionalize its services. A vice-presidency oversees program development. Advisory directors under the vice-presidencies are mainly concerned with the coordination of some of the activities carried out by regional services. Regional offices are responsible for implementing the Commission's programs and servicing the varied clientele. The new operational model emphasizes the integration of regional-office functions, mainly through the creation of multidisciplinary teams, health and safety services. Within a multidisciplinary team, each function (compensation, rehabilitation, prevention-inspection) coexists with the others, while executing its own specialized activities. These teams are supported by content specialists in prevention-inspection, rehabilitation, and compensation. In the integration of these functions lies the guiding principle of the organization, for it promotes harmony in the interventions and strengthens their impact.

HUMAN RESOURCES

AUTHORIZED STAFF

The Commission's staff is appointed and paid in accordance with the *Public Service Act*. On December 31, 1989, the number of positions authorized by the *Conseil du trésor* (Treasury Board) was 2,573. More than half of these are in regional offices; therefore on December 31, 1989, 1,537 persons were in regional positions while 993 worked in administrative centres.

AUTHORIZED POSITIONS FILLED

In its 2,573 authorized positions on December 31, 1989, the Commission had 2,561 permanent employees, an increase of 180, or 7.6% compared to 1988. Of these permanent employees, 58% were classified as civil servants, compared to 57.6% in 1988; 33% as professionals, compared to 33.3% in 1988; 1.1% as general workers compared to 1.2% in 1988; and 7.9% as supervisory staff.

It should be noted that at the end of 1989, 1 employee was still on an authorized pre-retirement leave, a program which ended on March 31, 1988. Forty-one employees, 29 men and 12 women, retired in 1989. Eighty-seven employees took leave without pay for periods of varied duration and 47, leave with deferred pay. One hundred and one employees were absent from work on maternity leave, 220 employees received salary insurance benefits, 72 employees received benefits for employment injuries in the workplace and 154 employees availed themselves of the part-time workplan.

TEMPORARY STAFF

On December 31; 1989, the Commission employed 649 casual employees, an increase of 88 over the previous year, particularly for special projects: the scale of bodily injuries, the review offices, assessment reform, implementation of the new regional model, etc.

FEMALE STAFF

The Affirmative Action Program for female government employees, adopted July 8, 1987, sets specific quantitative and qualitative goals for the Commission and proposes different means to increase female employment. On December 31, 1989, women filled 1,170 of the 2,561 permanent positions in the Commission, compared to 1,036 out of 2,381 on December 31, 1988. Women now make up 45.7% of the CSST's permanent staff, an increase of 2.2% over 1988. The relative importance of the position of women in the personnel classifications of the CSST was as follows on December 31, 1989: 3 women were top-level managers, filling 33.3% of such positions; 23 were senior managers, or 20% of such positions; 8 were supervisors, or 10% of such positions; 250 were professionals, or 29.6% of such positions; and 886 were civil servants, or 59.6% of such positions.

The Commission is thus experiencing a gradual increase of the relative presence of women in all its personnel classifications.

INTERNAL AUDITS

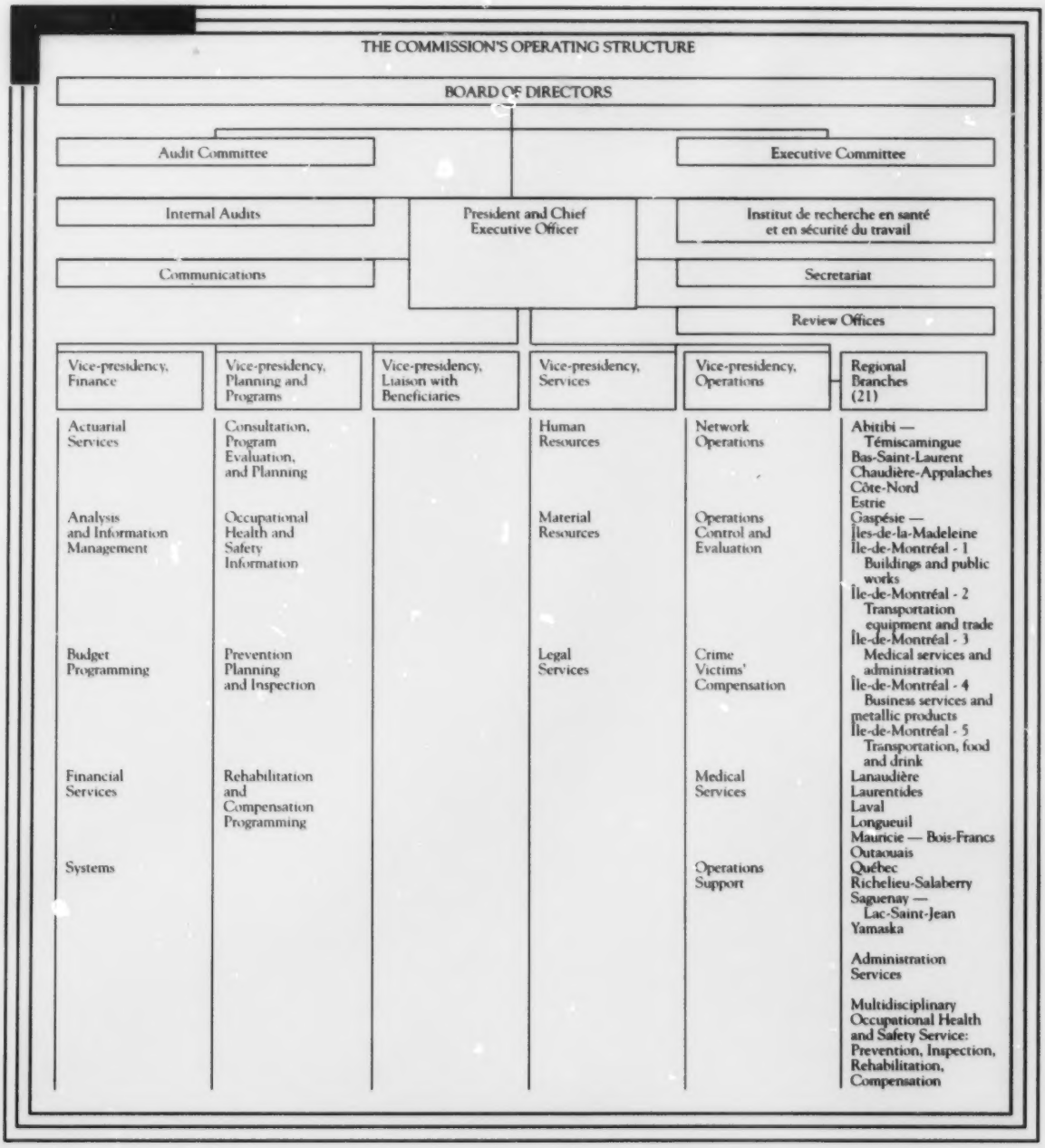
The Internal Audit Branch is responsible for the Commission's internal auditing and its director reports to the president and chief executive officer. This is an advisory position which exerts no direct authority on the other centres of activity.

The internal auditing guidelines were adopted by the president and chief executive officer, under the Treasury Board directive concerning program analysis and internal auditing. Internal auditing must ensure the systematic, regular, and objective assessment of the adequacy and effectiveness of the Commission's administrative procedures.

An integral part of the Commission's management functions, the Internal Audit Branch is mandated to provide senior managers with an independent assessment of the Commission's practices and management systems and to act as an agent of change within the Commission. The mandate includes the management of all the resources, namely human, material, financial and information resources, needed to carry out the activities.

The method prescribed to carry out the mandate reflects the basic concept of integral auditing, adapted to the internal auditing context. In this way, the extent of economic, efficient and effective management of the human, physical, financial and information resources, the degree to which the lines of responsibility are supported, and the adequacy and availability of management information for decision-making can be determined. In the area of systems development, the internal auditor intervenes during the design, development, and installation rather than after the system has been established.

The main role of the Internal Auditing Management Committee, composed of the president and chief executive officer and two vice-presidents, is to counsel and provide opinion to the chief executive officer. It does not perform management duties. The committee's five main objectives are :



. to help the president and chief executive officer assume his responsibilities with respect to the Commission's administrative performance;

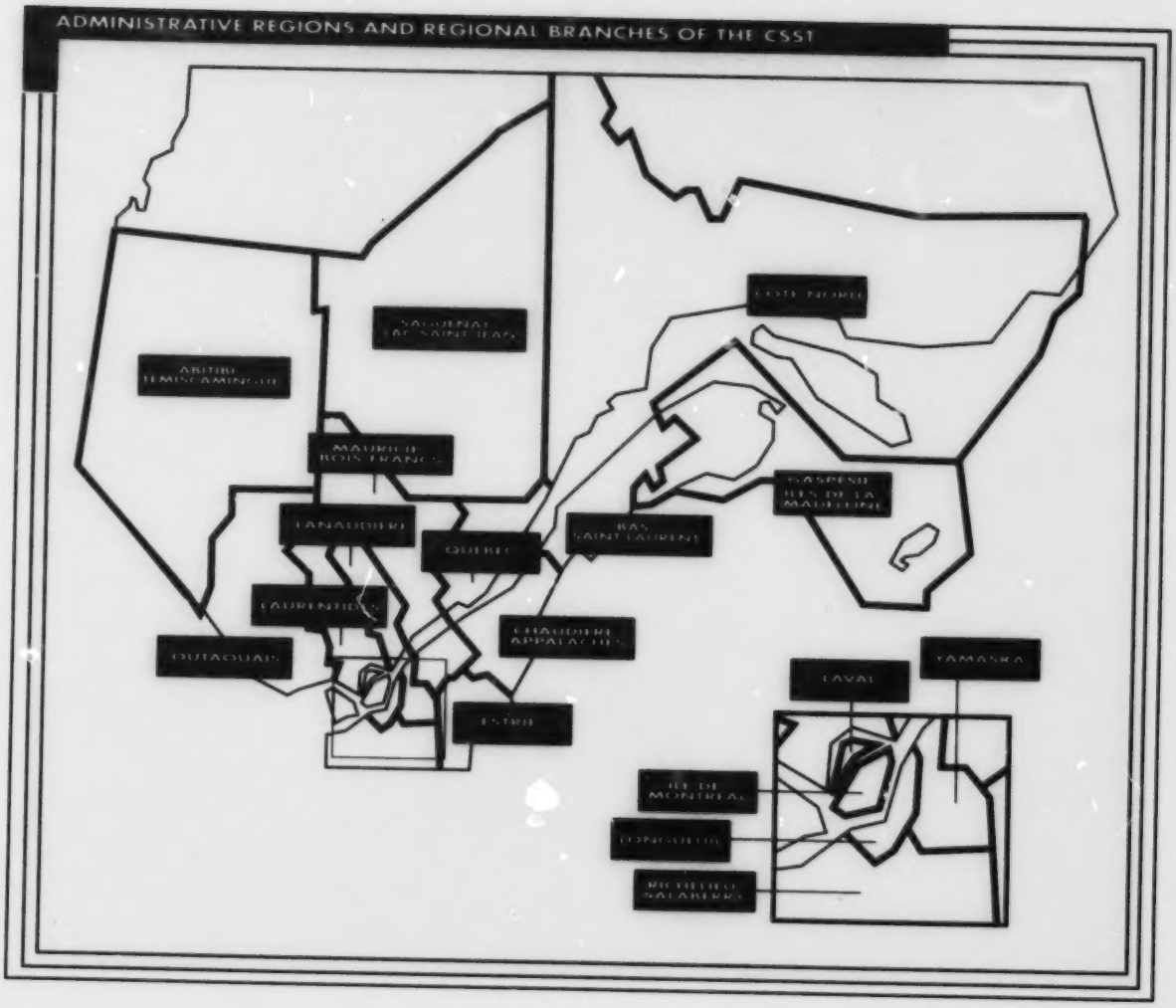
. to improve the accountability process between managers and upper management to ensure efficient control and good management of resources;

. to provide support to all the efforts made to enhance management systems and practices;

. to improve communications between upper management, the Internal Audit Branch, the Vérificateur général and the central agencies;

. to reinforce the independence of the Internal Audit Branch in the Commission.

ADMINISTRATIVE REGIONS AND REGIONAL BRANCHES OF THE CSST



ADMINISTRATION OF THE PLAN IN 1989

The *Commission de la santé et de la sécurité du travail* is a public corporation within the meaning of the *Civil Code*. As such it is vested with the general powers of such a corporation and specific powers imparted to it by law. Its joint Board of Directors is the highest body of employer-worker participation constituted by law, enabling both groups to share in defining and managing occupational safety and health policies.

BOARD OF DIRECTORS

The Commission's Board of Directors is made up of fifteen members: the president, who is also the chief executive officer, seven employer representatives and seven labour representatives. These are selected by the Government from lists supplied by the most representative management and labour associations.

In 1989, the Board of Directors focused its attention on a number of aspects of the Commission's financial administration. The Board approved the Commission's financial statements for the 1988 fiscal year, and its 1990 budget. It adopted the average assessment rate of $2.50 and the maximum yearly insurable earnings of $40,000 for 1990. The Board of Directors appproved the budget of transfers within the occupational health services program and the mining rescue budget, and granted subsidies to thirteen joint sector-based associations, as well as to the *Institut de recherche en santé et en sécurité du travail* (Occupational Health and Safety Research Institute), and management and labour associations. In view of the shortage of Commission personnel, the Board also adopted various resolutions on computer systems, aimed at acquiring outside resources for the design, maintenance and operation of the Commission's computer systems; computer and peripherical equipment operation and production follow-up; and the functional analysis and framework, and technical completion of assessment reform. The Board also authorized acquisition of microcomputer equipment and the necessary hardware, including installation of the local networks provided for the regional branches. In addition, the Board agreed to resume a publicity campaign to support the Commission's goals, and equipping of the head office and regional branch offices on the Island of Montréal.

Having analysed the impact of Supreme Court of Canada judgments that provincial legislation in occupational safety and health does not apply to businesses under

BOARD OF DIRECTORS

1• ROBERT DIAMANT[1]
President

LABOUR REPRESENTATIVES

2• LOUIS LABERGE
President of the *Fédération des travailleurs et travailleuses du Québec* (FTQ) (Québec Federation of Labour)

JEAN LAVALLÉE
Managing Director and Secretary-Treasurer of the Interprovincial Brotherhood of Electrical Workers, Vice president of the FTQ

CLÉMENT GODBOUT
Québec Director of the United Steelworkers of America, Vice president of the FTQ

CLAUDE MORRISSEAU
Regional Director of the Canadian Union of Public Employees, Vice president of the FTQ

3• CÉLINE LAMONTAGNE
Vice president of the *Confédération des syndicats nationaux* (CSN)
(Confederation of National Trade Unions)

4• ANDRÉE BOUCHARD
Secretary, Confederal Health and Safety Committee, *Confédération des syndicats nationaux* (CSN)

5• CLAUDE GINGRAS
President of the *Centrale des syndicats démocratiques* (CSD) (Congress of Democratic Unions)

EMPLOYER REPRESENTATIVES

6• GHISLAIN DUFOUR
President of the *Conseil du patronat du Québec* (CPQ) (Québec Employers Council)

7• ME. L. PIERRE COMTOIS
Assistant General Counsel and Director of Public Affairs - Québec, General Motors of Canada Limited

8• ME. FRANCO FAVA
Secretary, Neilson Excavation Inc.

9• DR. MICHEL GUILLEMETTE
Director of Medical Services, Canadian Pacific Forest Products Limited

10• ME. MARCEL BEAUDRY[2]
Beaudry & Bertrand, Lawyers

11• ME. GASTON LAFLEUR[2]
President and Chief Executive Officer, *Conseil québécois du commerce de détail* (Québec Retail Council)

12• FRANÇOIS E. PELLETIER[2]
Vice president of Human Resources, Québec-Cartier Mining Co.

OBSERVER
DR. MARC DIONNE For the Minister of Health and Social Services

Absent on photo: Clément Godbout, Jean Lavallée, Claude Morrisseau and Dr. Marc Dionne

1. Effective December 11, 1989 Mr. Robert Diamant replaced Mrs. Monique Jérôme Forget who resigned.
2. Messrs. Marcel Beaudry, Gaston Lafleur and François E. Pelletier were appointed to the Board on February 21, 1990, to replace Messrs. Michel Caron, Guy G. Dufresne and Jean-Marc Turcotte, who had resigned.

federal jurisdiction, the Board decided to reimburse to employers operating a business under federal jurisdiction, the sums that were wrongfully paid to finance the *Act respecting occupational health and safety*, as of 1981. The Board also decided that these disbursements and those engendered by the policy for recalculating assessment notices with respect to Sections 99(3) and (5) and 111(7) of the *Workmen's Compensation Act* would be recovered entirely from assessments collected during the 1988 fiscal year, and that the amount already provided for these purposes in the 1989 assessment would take the place of the additional provision for recapitalization.

In 1989, the Board continued to focus its attention on a very important file, the reform of the Commission's method of assessment. In 1988 it had adopted a schedule in consideration of the implementation of this reform on January 1, 1990. Following an initial presentation to the Board of Directors at the beginning of the year, from March to May 1989 the Commission's staff visited and consulted eighty-four groups (management associations, unions, agencies, etc.) who were interested in the plan for a new method of assessment. The staff then reported to the Board of Directors.

The consultation having demonstrated a major desire (92% in favour), to change the current method of assessment used by the *Commission de la santé et de la sécurité du travail*, the Board of Directors went on record in agreement with the proposed reform and the application of the new method of asssessment in 1990, according to the methodological document entitled *For a True Balance - A CSST Proposal for a New Assessment Rate System* (Working Document). Simultaneously, the Board decided to maintain the current mode of financing the joint sector-based associations, based on units covered by these associations, and to finance the occupational health services program, the *Institut de recherche en santé et en sécurité du travail du Québec* and protective reassignment of pregnant or breast-feeding workers' program through a uniform rate of assessment for all employers.

The implementation of this new assessment method in 1990, based on methodologies and principles which differ from those of the previous method of assessment, occasionally led to major changes in the assessment rate of certain units and, consequently, in the assessment of certain employers. However, it seemed preferable to us that no measure delay the implementation. However, considering that the variance between the two methods of assessment could assume major proportions and, for some employers, cause a financial impact that was difficult to absorb in one year only, the staff recommended measures to soften the effect of the transition for employers likely to incur risk of financial harm. The Board therefore adopted interim measures between the current and the new methods of assessment including the rates of units, the employers' personalized rates, the rates of classes A, B, C, D, and E, as well as the limit of upward or downward variation in the non-transitory units. Since the application of these interim measures would lead to a shortfall, it was decided that this would be assessed to all employers in 1990 based on the risk in each unit; and afterwards the shortfall per sector would be assessed to units in the sector based on the risk in each unit.

The current system of assessment included a rule stating that a unit could only raise or lower its rate by one class per year. This rule had led to the accumulation of debits or credits for each unit. With the disappearance of this rule upon the implementation of the new method of assessment in 1990, it was preferable to no longer take accumulated debits into account, and to propose a formula to pay employers at least a portion of the accumulated credits. The Board of Directors thus decided to eliminate any additional assessment based on accumulated debits and to authorize in 1989, the reimbursement of the accumulated credits within the current method of assessment.

In early 1990, the Board of Directors also adopted a policy for assigning costs under Sections 326 to 331 of the Act respecting industrial accidents and occupational diseases. While settling the numerous requests for sharing and transferring the accountability outstanding since August 1985, this policy will enable cases to be uniformly processed and thus improve the fairness of the Commission's assessment system to employers.

The Board also asked the Commission's staff to address the following points in a second phase: the eventual creation of a sixth sector for public services; the possibility of a separate classification based on the employee's duties (for example: white collar, truck drivers); the analysis of certain classification units; the analysis of criteria, eligibility thresholds and zones at the personalized rate and in the retrospective plan.

On December 20, 1989, the National Assembly adopted the *Act to amend the Act respecting industrial accidents and occupational diseases* (1989, c. 74) and, in early 1990, the regulations on the personalized rate; retrospective adjustment of the assessment; 1990 experience ratios; 1990 insurance premiums; the assessment rates and the units of economic activity and the sectors for 1990 came into force. This enabled the

new method of assessment to be applied effective January 1, 1990.

The Commission's financial situation also retained the ongoing attention of the Board. Therefore, when the average provincial rate of $2.50 for fiscal year 1990 was adopted, as compared to $2.75 in 1989, various measures were also adopted to ensure the financial stability of the occupational safety and health plan. The Board then chose the objective of full capitalization. It decided that for the time being, for fiscal year 1989, any surplus be applied to unfunded liabilities; for fiscal year 1990, any possible deficit or surplus due to the year's injuries be immediately recovered from or handed over, as the case may be, in the following assessment; and, for fiscal year 1990, the $0.25 set aside for capitalization be appropriated in full.

At the Board of Directors' invitation, the Minister of Labour, Mr. Yves Séguin, came to meet the Board in May 18, 1989 in order to share the concerns with the Board, and review and determine directions in face of the most frequent criticisms. The Minister then announced his intention to make certain corrections to the laws the *Commission de la santé et de la sécurité du travail* administers, to facilitate their application in the beneficiaries' interest. At the Minister's suggestion, a ministerial study committee had then been created with the Commission's participation, and each member subsequently submitted briefs containing pertinent observations to the Minister.

Together with the staff, the Board also reviewed the draft of the Commission's master plan for information systems. They examined the Commission's situation in relation to its computer-systems investments of the next five years, estimated to be about $121 million, including a re-appropriated $51 million of the current budget, leaving additional investment of $70 million over five years. The solutions envisaged in the new systems architecture are aimed at the following objectives: a vision of integrated data and systems, systems decentralization, reliable management information, increased operations support, streamlined electronic links, and up-to-date technology. The proposed technology is supported by central computers, a telecommunications network, local area networks and microcomputers or screens as work stations.

The master plan extends over a five-year period, in three phases. Phase I covers the essential improvements to current systems, the establishment of one accounting plan, one analysis and management plan, and one employer file, and the implementation of new functions (rehabilitation and prevention-inspection). Phase II consists of the management information systems, the establishment of one beneficiary file, the reorganization of the plan's operational and analytical systems, management of the plan's accounts, and electronic exchange of operations data. Phase III is aimed at establishing one partner file, human and material resource management systems, and the electronic exchange of analytical and management information.

At the beginning of 1990, the Board of Directors gave its agreement in principle to the implementation of the Commission's information systems master plan.

The study and adoption of regulations make up an important part of the Board of Directors' work. The Commission adopted the following regulations in 1989:

. Regulation respecting standards and tables for personal home assistance for 1990;

. Regulation respecting the table of income replacement indemnities for 1990;

. Regulation respecting the table of gross annual income of suitable employment for 1990;

. Regulation to amend the Safety code for the construction industry (work carried out in the vicinity of electric power lines, closed hoist devices, mobile cranes, fire fighting pipes, horizontal safety lines, safety nets, safety catchs);

. Regulation to amend the Safety code for the construction industry (use of asbestos);

. Regulation to amend the Regulation respecting industrial and commercial establishments, the Regulation respecting the quality of the work environment and the Regulation respecting the salubrity and safety of workmen in mines and quarries (use of asbestos);

. Regulation to amend the Regulation respecting the system of merit or demerit rating for assessing an employer;

. Regulation respecting the application of the provisions relating to work accidents and occupational illnesses contained in the *Avenant à l'Entente en matière de sécurité sociale entre le gouvernement du Québec et le gouvernement de la République française* and in the appurtenant administrative *Arrangement*;

. Regulation respecting the application of the provisions relating to work accidents and occupational illnesses contained in the *Entente en matière de sécurité sociale entre le gouvernement du Québec et le gouvernement du Grand-Duché du Luxembourg*.

In the area of programs and policies, the Commission's Board of Directors adopted the agreement between the *Commission de la santé et de la sécurité du travail* and Labour Canada on the compensation of employment injury victims

employed by the government of Canada for the period of January 1 to December 31, 1989, and the renewal clause. To ensure that the training of members representing the employers or the workers in the joint review offices is supplemented with a retraining course, the Board adopted rules for financing that activity and the terms and conditions for reimbursing the expenses involved. The existing sector-based associations having tried unsuccessfully to insure themselves as well as their members, their representatives and their staff, the Board decided to resume its program of assistance to sector-based associations in the area of public and professional liability insurance.

Several of the Board's resolutions dealt with the formation and updating of the list of employer and labour members of the review offices created under the *Act respecting occupational health and safety*, as well as with the delegation of the Commission's powers to its civil servants, and updating of the lists of delegatees of these powers.

During the year, nine committees of the Board of Directors worked on budget and finance management, in addition to studying several draft regulations, policies and programs. These committees met a total of nineteen times in 1989.

EXECUTIVE COMMITTEE

The Act provides for an Executive Committee including the president, one employer representative and one labour representative, selected by their peers from members of the Board of Directors. The Executive Committee consists of the president and chief executive officer, Mr. Robert Diamant, and Messrs. Ghislain Dufour, employer representative, and Louis Laberge, labour representative.

Items on the agenda of the Board of Directors and files to be submitted to the Board are first cleared by the Committee. Committee members thus get an initial grasp of the problems at hand, enabling them to guide Board discussions towards the main concerns they have identified. Through this early perusal of files, Committee members are also in a position to ask staff to supplement information to be conveyed to the Board.

In the scope of its responsibility to approve current administrative agreements with Québec institutions, the Executive Committee approved the following agreements:

. Agreement between the *Commission de la santé et de la sécurité du travail* and the Joint sector-based association for occupational health and safety in the construction sector, to recognize this association for purposes of issuing certificates to persons who have taken the general health and safety course for construction sites;

. Amendments to the agreement signed on December 1, 1986 between the Commission and the *Régie des rentes du Québec* concerning a Protocol of access to and use of personal information;

. Service contract concerning computerized diagnostic tomodensitometric services.

. As part of its routine business, the Executive Committee authorized certain banking matters and the signature of leases and approved purchases and the awarding of contracts.

AUDITS COMMITTEE

Section XII of the Commission's internal management regulation creates an Audits Committee composed of two employer representatives and two labour representatives, all four selected by their peers from members of the Board of Directors. The Audits Committee is composed of Ghislain Dufour and Gaston Lafleur, employer representatives, and Louis Laberge and Andrée Bouchard, labour representatives. Among other duties, the Audits Committee examines the annual report of the Internal Audit Branch, that of the *Vérificateur général*, and their follow-up action, and reports to the Board of Directors. It ensures that the Commission's financial statements accurately reflect its financial situation, its evolution, and the results of its operations. The Audits Committee met twice in 1989.

MANAGEMENT COMMITTEE

The president and chief executive officer is responsible for the organization's administration and management. He is assisted in his functions by vice-presidents in finance, operations, planning and programs, liaison with beneficiaries, and services. The president and chief executive officer, the vice presidents and the secretary make up the Management Committee responsible for implementing decisions of the Board of Directors, suggesting policies and dealing with day-to-day administrative matters.

Annually setting goals for the CSST means that priorities are communicated and the specific objectives of the various CSST branches join together in a common purpose.

In 1989, emphasis was placed on the following areas:

. Integrating the notion of service to the clientele with overall operations and all parties;

. Improving support to injured workers to ensure the majority return promptly to work;

. Reducing the frequency and gravity of

Members of the Commission's Management Committee

1• Robert Diamant
President and Chief Executive Officer

2• Pierre Shedleur
Vice-president, Finance

3• Gilles Taillon
Vice-president, Operations

4• Lise Langlois
Vice-president, Planning and Programs

5• Lise Thibault
Vice-president, Liaison with Beneficiaries

6• Alain Ménard
Vice-president, Services

7• Pierre Lafrance
Secretary

8• Josée Quirion
Assistant to the President and Chief Executive Officer

work accidents and occupational diseases;

. Proposing a new, fairer method of assessment which would be more of an incentive to prevention;

. Enabling management and managers to draw full profit from information kept in the computer systems.

The Committee developed intervention strategies likely to promote the attainment of these objectives.

In the context of integrating the idea of service to the clientele to all the Commission's operations, the Management Committee devoted its efforts to redressing eligibility procedures. To ensure uniform and orderly application of the *Act respecting industrial accidents and occupational diseases*, it was necessary to establish a narrower framework for the role of each of the successive stages of this process.

To this end, the Committee ratified a procedure which, without increasing the delay in processing the files, monitors some of the compensation officers decisions on an *a priori* basis. The compensation officer's decision has to be substantiated, and the accident facts or the medical report must be verified with the parties (workers, employers, attending physicians) in cases of doubt or vagueness in the forms submitted. On the other hand, it is only in exceptional cases that the Commission will initiate the medical arbitration process by requesting an expert opinion on its behalf. In addition, if following medical arbitration, it is determined that benefits were wrongly paid to a beneficiary in good faith, the Commission shall remit the debt as allowed by Section 437 of the *Act respecting industrial accidents and occupational diseases*. Finally, it should be emphasized that the Commission's lawyers will appear before the review or appeal bodies only when one of the Commission's policies is at issue.

Along with this new procedure, the Management Committee also gave the Commission's resources a tool to support decision-making. It provides a synthesis of all the elements necessary in the admissibility of requests. This tool, which is currently being computerized, guides the front-line resources in the numerous and complex legislative provisions likely to be applied.

Completing its actions to improve the first level of the decision-making process, the Management Committee set up a mobile team responsible for ensuring the theoretical and practical training of front-line resources in the regional branches.

The idea of service to the clientele is also beginning to take the form of meetings with the beneficiaries. Conducted under the theme, *Pour mieux se prendre en main*, these meetings provided an opportunity for exchange between the Liaison with Beneficiaries department and over 1,900 participants. It should also be noted that the Management Committee decided to accept collect calls from its users, a measure which facilitates the Commission's communications with its clientele.

Management Committee's concern to specify the procedures and improve the tools available to the Commission's resources was also demonstrated in the pursuit of its goal to improve support to injured workers to ensure the prompt return to work of most of the workers.

The role of the occupational rehabilitation counsellor consists of relating the worker's functional disability to the work requirements. To assist the counsellor in this complex task, an ergonomic work analysis grid was developed and explained to the rehabilitation counsellors during training sessions.

Still in the area of rehabilitation, the development of a program for evaluating and re-educating workers suffering from chronic back pain, in cooperation with the Centre François-Charon, should be noted.

In 1989, the Management Committee also began a series of measures aimed at reducing the frequency and gravity of work accidents. Programs for intervening in the case of mobile and tower cranes, road rollers and new farm tractors were undertaken. Studies were conducted aimed at amending certain standards in the regulations, mainly, in safety in the use of asbestos, excavation work, hanging scaffolds, and the application of WHMIS.

The tools available to the Commission's prevention and inspection resource-persons were improved, particularly the prevention-inspection policy manual. An inspector training program geared to interventions involving office-building air quality has also been established.

The means by which the parties take charge of the work environment were evaluated, in particular, the joint sector-based associations, and the operation and effects of the prevention program in two priority industrial sectors. A policy framework in program evaluation was also developed.

The Management Committee was deeply involved in the Fifth Annual Occupational Health and Safety Week, which was held from October 16 to 21 under the theme *L'élimination des dangers à la source* (The elimination of dangers at source).

The Commission's objective is to motivate the public to consider occupational health and safety a basic social value. To this end, the accent in various activities is placed on the role and responsibilities of the CSST, employers and workers in taking preventive charge of the work environment. In this perspective, the Commission held the second edition of the *Prix CSST* contest under the theme *Partenaires dans la prévention* (Partners in prevention). It received 386 applications from all Québec regions.

As part of routine business, the Management Committee authorized rental leases and adopted a number of decisions on personnel management and the study of internal audit reports.(The Commission continued to attach great importance to its relations with external bodies, including those outside Québec. It has maintained relations with the International Association of Labour Inspection (IALI), the International Social Security Association (ISSA) and the International Commission on Occupational Health (ICOH). It maintained regular contact with its counterparts in other Canadian provinces and abroad, played host to a number of delegations and participated in several international conferences of particular interest. The Commission reiterated its support to holding the International Convention of Protection against Radiation in Montréal in 1992 and continued to support to the organization, in Montréal, in September 1990, of the XXIII International Convention on Occupational Health. It was invited to collaborate with the International Centre of Occupational Safety and Health Information established by the International Labour Office. It also participated in a project to develop toxicological data sheets with the World Health Organization and approximately a dozen other countries and international agencies.

Within the *Comité de négociation des ententes en matière de sécurité sociale* (C.N.E.S.S.), piloted by the *Ministère des Affaires internationales*, the Commission took part in the ratification of the reciprocity agreement between Québec and Luxembourg. The Commission was also part of the continuing negotiations between Québec and Spain, Ireland, Italy and Portugal.

In Canada and North America, the CSST belongs to the Association of Workers' Compensation Boards of Canada, the American Association of State Compensation Insurance Funds, and the IAIABC (International Association of Industrial Accident Boards and Commissions).

The Commission participates in task forces such as the Canadian Standards Association's (CSA) Advisory Committee on Health and Safety, the Federal-Provincial Committee on the Implementation of WHMIS and the National Program of statistics on occupational accidents. The Commission also exchanges information with several Canadian agencies, especially the Canadian Centre for Occupational Health and Safety. It also participates in the work of the Canadian Association of Administrators of Labour Legislation and the Legislation and Rehabilitation Committees of the IAIABC.

AUDITOR'S REPORT

I have examined the balance sheet of the *Commission de la santé et de la sécurité du travail* as at December 31, 1989, and the statement of income and expenditure and the unfunded liability for the year then ended. My examination was made in accordance with generally accepted auditing standards and included such tests and other procedures as I deemed necessary in the circumstances.

In my opinion, these financial statements faithfully represent the Commission's financial position as at December 31, 1989, as well as the results of its operations for the year then ended in accordance with the accounting policies outlined in Note 2, applied on a basis consistent with that of the preceding year, after retroactive effect of the adoption of the method for amortizing the reserve for changes in the real rate of return referred to in Note 3.

Le vérificateur général du Québec

Rhéal Chatelain, F.C.A.

Québec, April 17, 1990

ACTUARIAL CERTIFICATE

RELATING TO THE COMMITMENTS OF THE *COMMISSION DE LA SANTÉ ET DE LA SÉCURITÉ DU TRAVAIL* AS OF DECEMBER 31, 1989

We have made the valuation of the Commission's actuarial reserve for its balance sheet as of December 31, 1989 and its statement of income and expenditure for the year then ended. In our opinion, the actuarial reserve, which amounts to $4,927,290,000, makes proper provision to cover future payments of benefits to occupational injury victims under the *Workmen's Compensation Act*, the *Act respecting industrial accidents and occupational diseases*, and the *Act respecting indemnities for victims of asbestosis and silicosis in mines and quarries*; and future payments of benefits to pregnant or breast-feeding workers under the *Act respecting occupational health and safety*. The actuarial reserve covers all liabilities in relation to events that occurred until December 31, 1989 in the establishments of employers who are assessed by the Commission.

With regard to the CSST's funding objectives, the assumptions used in the valuation of reserves were selected on the best estimate basis. This approach implies that there is no margin, as much for adverse statistical deviations as for an unfavourable evolution of the experience.

However, the assumption on the real rate of return is an exception to this general approach of the best estimate in the sense that it does not necessarily reflect the short-term

foreseeable economic situation. Indeed, in consideration of the Commission's specific commitments to guarantee the adjustment of these indemnities to future inflation, and to permit more stable assessment rates and financial results, the assumption on the real rate of return is based on longer-term trends, and a mechanism permits the annual deviations in the real rate of return to be amortized.

With regard to the provision for deviations concerning the real rate of return resulting from the mechanism used by the Commission, two changes occurred during the year. The first change consists in determining this provision as a distinct item of the balance sheet and results in a reduction of $407,447,000 in the actuarial reserves as of December 31, 1988. Indeed, the Commission recently adopted a global capitalization policy in which it expressly defined the method of returning or recovering the deviations related to the real rate of return. Given this new environment, it seems appropriate to us to exclude the provision from the actual actuarial reserves.

The second change aims at amortizing the deviations related to the real rate of return over an 8-year period instead of giving the full weight of rebalancing on a change in trends. The net effect of the retroactive application of this new mechanism since 1984 is to free a portion of this former provision, that is $29,004,000, as of December 31, 1988.

The actuarial reserve increased from the adjusted amount of $4,657,559,000 as of December 31, 1988 to $4,927,290,000 as of December 31, 1989. The increase of $269,731,000 composed of an increase of $265,328,000 for the compensation programs and of an increase of $4,403,000 for the protective reassignment program, was debited to the 1989 income and expenditure statement.

As for the compensation programs, the increase of $265,328,000 takes into account a $9,535,000 decrease in the actuarial reserve resulting from changes in methods and assumptions.

The application of the amortization mechanism of deviations related to the real rate of return leads to an increase in the provision of $191,612,000 resulting from the gains realized during 1989 and a decrease of $29,411,000 resulting from the amortization of deviations of previous years. The provision for deviations concerning the real rate of return thus increased to $540,644,000 as of December 31, 1989, from the adjusted amount of $378,443,000. Considering the Commission's capitalization policy, the amount of $540,644,000 is necessary to reach the objective of full capitalization, which guarantees future payments of benefits to beneficiaries.

In our opinion, the amount of the actuarial reserve was determined from trustworthy data, adequate and appropriate assumptions, and the methods employed are in accordance with generally accepted actuarial principles.

Robert Langlois, F.S.A., F.I.C.A.
Actuary
Commission de la santé
et de la sécurité du travail

Pierre Hébert, F.I.C.A.
Actuary
Commission de la santé
et de la sécurité du travail

March 26, 1990

The Commission's actuaries evaluated the actuarial reserve at $4,927,290,000 as of December 31, 1989 to cover future payments of benefits to occupational injury victims and to pregnant or breast-feeding workers. This reserve covers the commitments for events that occurred until December 31, 1989 in the establishments of employers who are assessed by the Commission. With regard to the Commission's funding objectives, the assumptions used were selected according to the best estimate, with the exception of the assumption on the real rate of return, which is based on longer-term trends. The provision for deviations concerning the real rate of return of $540,644,000 as of December 31, 1989, is now excluded from the current actuarial reserve and constitutes a distinct entry in the balance sheet. From now on, the deviations in the real rate of return are amortized over an eight-year period instead of having all the readjustment weight placed on a change in trends. The increase in the actuarial reserve after adjustment was determined by the Commission's actuaries at $269,731,000 in 1989.

We carried out an audit on the methodology and assumptions as well as their use in the present evaluation.

In our opinion, the $4,927,290,000 shown in the balance sheet adequately reflects the value of the Commission's commitments and the $269,731,000 shown in the statement of income and expenditure constitutes an appropriate debit to account for the evolution of this liability. In view of the assumption concerning the real rate of return, and the capitalization policy of the Commission, the amount of $540,644,000 for the provision for deviations concerning the real rate of return is appropriate in the circumstances.

Robert Godbout, F.S.A., F.I.C.A.

Yves Charbonneau, F.S.A., F.I.C.A.

MARTINEAU, PROVENCHER
& ASSOCIÉS LTÉE

April 9, 1990

COMMISSION DE LA SANTÉ ET DE LA SÉCURITÉ DU TRAVAIL
INCOME AND EXPENDITURE
YEAR ENDED DECEMBER 31, 1989

	1989	1988
	(in thousands of $)	
INCOME		
Employers assessments (note 1)	1,530,181	1,437,703
Investment income and interest on assessments	428,742	315,195
Other income	7,369	1,087
	1,966,292	1,753,985
EXPENDITURE		
Compensation programs (note 4)		
Benefits paid	973,739	904,076
Increase in actuarial reserve	274,863	135,094
Decrease in actuarial reserve resulting from changes in assumptions and the method of calculation	(9,535)	(15,235)
	1,239,067	1,023,935
Protective reassignment of pregnant or breast-feeding workers program		
Benefits paid	49,777	38,879
Increase in actuarial reserve	4,403	271
	54,180	39,150
Prevention programs (note 5)	67,421	68,291
Administration expenses (note 6)	168,638	140,482
Other costs (note 7)	36,306	19,822
	272,365	228,595
REIMBURSEMENT OF ASSESSMENTS (note 13)	25,400	187,000
DEVIATIONS CONCERNING THE REAL RATE OF RETURN (note 16)	162,201	172,157
	1,753,213	1,650,837
EXCESS OF INCOME OVER EXPENSES (note 8)	213,079	103,148

COMMISSION DE LA SANTÉ ET DE LA SÉCURITÉ DU TRAVAIL
UNFUNDED LIABILITY
YEAR ENDED DECEMBER 31, 1989

	1989	1988
	(in thousands of $)	
BALANCE AT BEGINNING		
Balance already established	(2,257,232)	(2,360,380)
Adjustment as of January 1, 1989		
Amortization of the provision for deviations concerning the real rate of return for the years 1986 to 1988 inclusive (note 3)	29,004	—
Adjusted balance	(2,228,228)	(2,360,380)
Excess of income over expenses	213,079	103,148
BALANCE AT END	(2,015,149)	(2,257,232)

COMMISSION DE LA SANTÉ ET DE LA SÉCURITÉ DU TRAVAIL
BALANCE SHEET
YEAR ENDED DECEMBER 31, 1989

	1989	1988 (in thousands of $)
ASSETS		
Cash and temporary investments	256,874	350,218
Assessments receivable and other receivables (note 9)	195,323	158,580
Funds entrusted to the *Caisse de dépôt et placement du Québec* (note 10)	3,386,178	2,677,521
Real estate selling price balances (note 11)	16,280	16,868
Fixed assets (note 12)	22,368	19,916
	3,877,023	3,223,103
LIABILITIES		
Accounts payable and accrued liabilities	27,074	21,524
Assessments collected in advance	17,216	7,870
Provisions for reimbursement of assessments (note 13)	158,431	187,000
Deposits by employers personally responsible for paying benefits	24,137	23,772
Balance due on Public Service Pension Plan (note 14)	36,300	38,247
Investment income posted (note 15)	161,080	136,916
Provision for deviations concerning the real rate of return (notes 3 and 16)	540,644	407,447
Actuarial reserve (note 17)	4,927,290	4,657,559
	5,892,172	5,480,335
UNFUNDED LIABILITY	2,015,149	2,257,232
	3,877,023	3,223,103

COMMITMENTS AND CONTINGENCIES (note 18)

FOR THE BOARD OF DIRECTORS

MR. GHISLAIN DUFOUR MR. LOUIS LABERGE

COMMISSION DE LA SANTÉ ET DE LA SÉCURITE DU TRAVAIL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 1989

1. INCORPORATION, FUNCTIONS AND FINANCING

The *Commission de la santé et de la sécurité du travail* was incorporated under the Québec Civil Code on March 13, 1980 by the *Act respecting occupational health and safety* (R.S.Q., Chapter S-2.1). In the scope of this Act, its duty is to develop, to propose and to implement policies for the health and safety of workers to ensure a better work environment. It collects from employers the sums required for the enforcement of the Act, except the costs of inspection, which are reimbursed by the Québec government.

Under the *Workmen's Compensation Act* and the *Act respecting industrial accidents and occupational diseases*, the Commission is responsible for assessing employers annually, according to its mode of financing and after actuarial valuation at the rate applicable to the units in which the employers are classified.

The Commission elects the mode of financing it deems fit to meet commitments as they are incurred to avoid unduly burdening employers later with compensation payment attributable to past employment injuries.

The *Act respecting industrial accidents and occupational diseases* allows the Commission to fully fund the cost of employment injuries which occurred in 1989 and after, and to reduce the actuarial deficit (unfunded liability), as the case may be. For the years 1984 to 1988, the Commission had to collect a sum equal to 90% of the sum required for the payment of benefits to which beneficiaries are entitled for employment injuries occurring during each of these years respectively and could not recover the actuarial deficit for employment injuries which occurred before January 1, 1986.
The main object of the *Act to amend the Act respecting industrial accidents and occupational injuries* (1989, Chapter 74), assented to on December 20, 1989 and brought into force on January 1, 1990, is to enable the Commission to determine a new method of assessment and to reimburse employers for certain credits accumulated under the assessment method in force before the assessment year 1990.
Under the *Crime Victims Compensation Act* and the *Act to promote good citizenship*, the Commission has a duty to pay benefits or other indemnities to claimants. The sums required for the application and the administration of these Acts are reimbursed by the Québec government.

CAPITALIZATION POLICY

The Commission's concept of full capitalization holds that assets should be equal to liabilities, without aiming to maintain a surplus.

Measures were taken to balance assets and liabilities as quickly as possible while maintaining the objectives of equity, respect for the fund, stability, and prevention.

This policy provides a mechanism for rebalancing the capitalization ratio and serves to:

- introduce a mechanism for amortizing the provision for deviations concerning the real rate of return, without interest, over an eight (8) year period;
- account for the credits which should have been applied to fiscal years 1986 to 1989, as if the amortization mechanism of the provision for deviations concerning the real rate of return had been applied retroactively to the year 1984;
- adjust the assessment as of fiscal year 1990, in order to eliminate the unfunded liability as of December 31, 1989, over a twenty (20) year period;
- capitalize and to amortize without interest, during subsequent rate assessments, the surplus and deficits that will occur as of 1990 over various periods depending on the nature of the deviations.

2. ACCOUNTING POLICIES

The Commission's financial statements have been prepared by management using the accrual method of accounting and the accounting policies outlined below. These statements include figures based on the best professional judgments and estimates.

A. EMPLOYERS ASSESSMENTS

Assessment income is determined on the basis of provisional payrolls reported by employers to whom the rate schedule set by the Commission applies. At the end of the year, this income is adjusted to take into account the anticipated difference between the estimated wages and those actually subject to the assessment.

B. INVESTMENT INCOME

Gains and losses resulting from the sale of individual investment funds in the *Caisse de dépôt et placement du Québec* are posted and amortized. The difference between the market value of the portion of participation deposits represented by stocks and their cost as of December 31 is progressively entered into the books. This amortization and the progressive posting, which figure in the income for the fiscal year, are calculated according to the straight-line depreciation method over a five (5) year period.

C. FUNDS ENTRUSTED TO THE *CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC*

Participation Deposits

The participation deposits in the individual fund of the *Caisse de dépôt et placement du Québec* are entered at their adjusted value, that is, a value based on the market value for the part of these deposits represented by stocks.

This adjusted value is made up of the following:

- the cost of acquiring units of participation deposits, as well as
- the progressive postings of the difference between the market value of stock investments and their cost according to the method mentioned in the accounting policy of investment income.

D. FIXED ASSETS

Fixed assets are stated at their original cost and depreciated in relation to their estimated useful life, on the straight-line depreciation method at the following annual rates:

Buildings	2 1/2 %
Furniture and equipment	10 %
Rolling stock	25 %
Computer equipment	20 %
Telecommunications system	20 %
Leasehold improvements	Duration of lease

E. PROVISION FOR DEVIATIONS CONCERNING THE REAL RATE OF RETURN

The provision for deviations concerning the real rate of return is made up of the experience surpluses or deficits attributable to an assumed real rate of return of 3% per annum. This assumption is used to determine the current value of future payments subject to indexation. The particularly long term of the Commission's commitments concerning the pensions paid, and experience show that the real rate of return is subject to major changes from year to year. The object of providing for deviations concerning the real rate of return is to present the experience surpluses or deficits attributable to this assumption, separately, in the statement of income and expenditure.

The annual change in this provision is amortized under the straight-line depreciation method without interest, over a period of eight (8) years from the second year following this observation. This amortization will be considered as a discount or a debit to employers, as need be, during subsequent assessments.

This new practice of amortizing the annual change in this provision will have the effect of modifying the application of the 3% per annum assumption, which was then used to determine the present estimated value of future payments subject to indexation.

F. ACTUARIAL RESERVE

Present estimated value of future payments to employment injury victims and pregnant or breast-feeding workers.

This reserve includes the current estimated value of all future payments to be made for employment injuries and protective reassignments of pregnant or breast-feeding workers which occurred during the current fiscal year and during previous years among employers required to contribute.

This reserve includes provisions for cases which have already been the subject of benefit claims and for victims whose claim will reach the Commission after the end of the current fiscal year. This reserve also includes provisions for victims who are now being compensated or will eventually be compensated following a relapse, a recurrence or an aggravation.

G. CLAIMS AGAINST THIRD PARTIES

Claims against third parties responsible for industrial accidents are deducted from paid benefits upon their receipt.

3. AMENDMENT OF AN ACCOUNTING POLICY

PROVISION FOR DEVIATIONS CONCERNING THE REAL RATE OF RETURN

The Commission adopted an amortization method for amortizing the provision for deviations concerning the real rate of return retroactively as described in Note 2E. This provision had never been amortized previously. The amount of amortization of the provision for fiscal years 1986 to 1988 has been accounted for as of January 1, 1989, directly into the statement of unfunded liability for the year ended December 31, 1989. The annual depreciation for 1989 is reflected in the statement of income and expenditure.

The financial statements for the year ended December 31, 1988 were not adjusted to reflect this change.

This change in the accounting policy led to an increase (decrease) in the following items in this year's financial statements:

	1989 (in thousands of $)
BALANCE SHEET	
Actuarial reserve	**(599,059)**
Provision for deviations concerning the real rate of return	**540,644**
Unfunded liability	**(58,415)**
STATEMENT OF INCOME AND EXPENDITURE	
Compensation programs	**(191,612)**
Deviations concerning the real rate of return	**162,201**
Excess of income over expenditure	**29,411**

4. COMPENSATION PROGRAMS

	1989	1988
		(in thousands of $)
COST OF EMPLOYMENT INJURIES THAT OCCURRED DURING THE YEAR		
Benefits paid	268,139	250,394
Increase in actuarial reserve *	629,772	574,637
	897,911	825,031
COST OF EMPLOYMENT INJURIES THAT OCCURRED IN PREVIOUS YEARS		
Benefits paid	705,600	653,682
Decrease in actuarial reserve	(354,909)	(439,543)
Decrease in actuarial reserve resulting from changes in assumptions and in calculation method	(9,535)	(15,235)
	341,156	198,904
Overall cost of compensation programs *	1,239,067	1,023,935

* The annual variation in the provision for deviations concerning the real rate of return appeared in the previous years' financial statements in the cost of compensation programs, in the actual increase in the actuarial reserve.

Compensation program costs are divided as follows:

	1989	1988
		(in thousands of $)
Benefits paid		
Medical assistance	156,181	146,638
Temporary disability	49,717	64,607
Income replacement	444,427	389,317
Bodily injury	91,563	29,334
Permanent disability	175,275	187,782
Death	56,576	86,398
	973,739	904,076
Increase in actuarial reserve	265,328	119,859
	1,239,067	1,023,935

5. PREVENTION PROGRAMS

	1989	1988
		(in thousands of $)
Payments for to occupational health services and others	36,912	38,616
Subsidy to the *Institut de recherche en santé et en sécurité du travail du Québec*	14,069	13,400
Subsidies for training and information		
Joint sector-based associations	11,280	10,708
Union and employer associations	5,150	5,058
Other associations	10	509
	67,421	68,291

6. ADMINISTRATION EXPENSES

	1989	1988
		(in thousands of $)
Salary and fringe benefits	122,198	107,129
Training and professional development	475	534
Travel expenses	5,890	5,059
Postage, courier and telecommunications	7,782	6,551
Communications and information	2,965	1,763
Professional services - Computing	4,296	4,548
Professional services - Administration	14,972	11,866
Maintenance and repair - Computing equipment	2,653	2,590
Maintenance and repair - Fixed assets and others	3,895	1,402
Material and supplies	7,541	5,500
Space rental	12,592	11,415
Equipment rental - Computing	6,264	5,065
Equipment rental - Others	844	774
Insurance, taxes, power supply	1,691	1,781
Other expenses and services	1,357	984
Depreciation - Fixed assets	5,605	4,470
	201,020	171,431
Costs transferred:		
Government of Québec		
- Inspections	24,514	23,133
- Administration of the *Crime Victims Compensation Act* and the *Act to promote good citizenship*	1,993	1,841
Government of Canada and its agencies for administration of the *Government Employees Compensation Act*	2,879	1,567
Employers personally required to pay benefits	2,339	3,837
Other costs transferred	657	571
	32,382	30,949
	168,638	140,482

7. OTHER COSTS

	1989	1988
		(in thousands of $)
Bad debts	23,572	10,626
Administrative expenses of the Commission *d'appel en matière de lésions professionnelles*	9,758	6,035
Public Service Pension Plan - Interest on balance due	2,976	3,161
	36,306	19,822

8. EXCESS OF INCOME OVER EXPENDITURE

The excess income over expenditure for the year 1989 is explained by the following variations in the 1989 assessment:

	1989 (in thousands of $)		
	Increase		(decrease)
THIS FISCAL YEAR'S FINANCIAL NEEDS			
Assessments and other income	15,773		
Compensation programs (1989 injuries)	77,989	*	
Protective reassignment of pregnant or breast-feeding workers program (1989 withdrawals)	(4,852)		
Prevention programs	9,179		
Administration and other expenses	(3,168)		
Margin for unfavourable deviations	47,700	**	142,621
FINANCIAL NEEDS OF PREVIOUS FISCAL YEARS			
Assessments	18,177		
Compensation programs (injuries prior to 1989)	13,603		
Protective reassignment of pregnant or breast-feeding workers program (withdrawals prior to 1989)	(636)		31,144
EXCEPTIONAL DEVIATIONS			
Reimbursements of assesments to employers with respect to credits accumulated under the method of assessment in force before January 1, 1990			(25,400)
OTHER DEVIATIONS			
Loss of profits in investment income due to net unfunded liability for the recapitalization provision	(56,721)	***	
Provision for the Canada Supreme Court judgment rendering the Act *respecting occupational health and safety* inapplicable to businesses under federal jurisdiction	46,000	****	
Provision for the recalculation policy	44,100	****	
Amortization of the provision for deviations concerning the real rate of return	29,411	*****	
Others	1,924		64,714
			213,079

* This $78.0 million surplus is mainly attributable to the fact that, on the one hand, the number of victims was lower than that anticipated for in the rate set for 1989 for an amount of $40.7 million, and on the other hand, to the lower average cost per victim in medical assistance than anticipated in the rate set for 1989 for an amount of $27.2 million.

** This surplus is the product of a 5% margin in the cost of employment injuries anticipated in the 1989 rate assessment, to minimize the possibility of deficits or declines in the capitalization ratio.

*** This deficit consists of $161.7 million, representing a loss of profits in investment income due to unfunded liability, reduced by a provision of $105.0 million anticipated in the 1989 rate assessment, for recapitalization purposes.

**** These two items, for which no expense appears in the present financial statements, had been included in the financial needs for the 1989 rate assessment. Indeed, it had been initially planned to absorb, during the 1989 fiscal year, $46 million in expenses comprising reimbursements to businesses under federal jurisdiction, which, according to a Supreme Court decision, should not have been assessed for prevention-related costs. In addition, an amount of $44.1 million, representing the annual depreciation over a three (3) year period, of reimbursements estimated at $125 million following the lift of the moratorium on the enforcement of Sections 99.3, 99.5, and 111.7 of the *Workmen's Compensation Act*, had been provided for in fiscal year 1989. These two items have already been the subject of an expenditure during fiscal year 1988 and thus generated a surplus for this year.

***** A $29.4 million surplus in 1989, resulted from the amortization of the provision for deviations concerning the real rate of return, since it had not been taken into consideration during the 1989 rate assessment. The retrospective application of this amortization is a follow-up to the capitalization policy adopted by the Commission in 1990.

9. ASSESSMENTS RECEIVABLE AND OTHER RECEIVABLES

	1989	1988
		(in thousands of $)
Assessments receivable	115,509	95,412
Estimate of income accrued from assessments	66,300	43,047
Sums receivable from the Québec government for inspection*	10,323	15,671
Overpayment of claims receivable	32,029	19,906
Other receivables	12,752	8,844
	236,913	182,880
Less:		
Provision for bad debts**	41,590	24,300
	195,323	158,580

* Under Section 249 of the *Act respecting occupational health and safety* any amount required for the enforcement of the Act and inspection regulations is taken from the monies appropriated annually by Legislature for this purpose.

** An amount of $8,590,020 has been set aside to be recovered from the Québec government. It consists of $6,157,208 for the period between July 1985 and December 1988, and $2,432,812 for 1989.

10. FUNDS ENTRUSTED TO THE *CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC*

	1989	1988
		(in thousands of $)
INDIVIDUAL FUND		
Participation deposits at cost	3,207,607	2,548,020
(Market value in thousands of $ 1989: $3,438,669; 1988: $2,653,540 Number of units 1989: 3,207,607; 1988: 2,548,020)		
Plus:		
Progressive entries of the difference between the market value of stock securities and their cost	94,628	66,955
Participation deposits at adjusted cost	3,302,235	2,614,975
Income receivable	83,934	62,270
	3,386,169	2,677,245
GENERAL FUND		
Demand deposits	9	276
	3,386,178	2,677,521

The undepreciated balance of the difference between the market value of stock securities and their cost is set at $101,881,622 for 1989 (1988: $35,250,478).

PERCENTAGE DISTRIBUTION OF PORTFOLIO ACCORDING TO COST	1989	1988
Bonds	51.75	58.36
Convertible stocks and shares	27.92	29.94
Mortgage financing	4.44	4.59
Real estate investments	4.43	2.48
Short-term securities	9.90	2.72
Demand deposits	0.01	0.10
Other assets	1.55	1.81
	100.00	100.00

11. REAL ESTATE SELLING PRICE BALANCES

	1989	1988
		(in thousands of $)
Secured by first mortgage, reimbursable by annuities of $403,085 maturing on December 31, 1998, rate 7 1/2%	2,556	2,749
Secured by assignment of subsidy to be paid by the Québec government, reimbursable by annuities of $1,454,705, maturing on December 31, 2006, rate 7 1/2%	13,724	14,119
	16,280	16,868

12. FIXED ASSETS

	1989			1988
				(In thousands of $)
	Cost	Accumulated Depreciation	Net	Net
Land	728	—	728	728
Buildings	9,914	3,984	5,930	6,175
Furniture and equipment	14,825	10,759	4,066	4,199
Rolling stock	515	248	267	119
Leasehold improvements	5,283	3,069	2,214	2,177
Computer equipment	21,992	13,408	8,584	6,301
Telecommunications system	1,814	1,235	579	217
	55,071	32,703	22,368	19,916

The acquisitions and disposals of the fiscal year at the cost price are respectively $8,145,309 (1988: $7,590,963) and $401,157 (1988: $14,170,861).

13. PROVISIONS FOR REIMBURSEMENT OF ASSESSMENTS

	1989	1988
		(in thousands of $)
Provision for reimbursements with respect to Sections 99.3, 99.5, and 111.7 of the *Workmen's Compensation Act* *	**90,507**	125,000
Provision for reimbursements to businesses under federal jurisdiction **	**35,542**	55,000
Provision for reimbursements with respect to economic stabilization and rehabilitation benefit programs ***	**6,982**	7,000
Provision for reimbursements to employers with respect to credits accumulated under the pre-January 1, 1990 method of assessment rating ****	**25,400**	—
	158,431	187,000

* **Provision for reimbursements with respect to Sections 99.3, 99.5, and 111.7 of the *Workmen's Compensation Act***

On April 11, 1988, the Commission adopted a new policy for recalculating the contributions of employers affected by the Regulation respecting the system of merit or demerit rating for assessing an employer (Decree 1628-86 of October 29, 1986) on charging costs under Sections 99.3 (worker handicapped as a result of a previous accident) and 99.5 (accident attributable to a third party) of the *Workmen's Compensation Act*. Its retroactive application necessitated a recalculation of non-prescribed assessments, in order to reimburse employers for previous overpayments.

In addition, the Commission decided to retroactively enforce a Management Committee May 1984 decision not to charge the cost of occupational diseases to the employer, in accordance with Section 111.7 of the *Workmen's Compensation Act*. This retroactive application necessitated the recalculation of non-prescribed assessments, to reimburse employers affected by this decision for overpayments of previous years.

** **Provision for reimbursements to businesses under federal jurisdiction**

On May 26, 1988, the Supreme Court of Canada issued a decision stating that the *Act respecting occupational health and safety* (R.S.Q. Chapter S-2.1) did not apply to businesses under federal jurisdiction. Certain employers could then claim the portion of the contributions they had to pay to finance the application. A provision was determined at the end of 1988 to cover the assessments collected from 1981 until December 31, 1988 inclusively.

*** **Provision for reimbursements with respect to economic stabilization and rehabilitation benefits programs**

Some employers claimed in court that job search, economic stabilization, and social stabilization programs for victims of employment injuries that occurred before August 19, 1985, were illegal. Two Québec Court of Appeal judgments upheld the employer's claim and cancelled the various rehabilitation programs of the Commission. The Supreme Court of Canada refused the Commission's right to appeal. The Act entitled, *"Act to amend the Act respecting industrial accidents and occupational diseases and the Workmen's Compensation Act"* (1988, Chapter 66), assented to and enforced on December 23, 1988, prescribes that employers who contested the validity of the programs may not be held responsible for the costs resulting from expenses incurred by the Commission in implementing these programs since October 20, 1982. This Act also provides the terms and conditions for reimbursing these employers to whom, among others, no interest is payable on the sums reimbursed.

**** **Provision for reimbursements of credits accumulated under the method of assessment in force prior to January 1, 1990**

The *Act to amend the Act respecting industrial accidents and occupational diseases* (1989, Chapter 74), came into force on January 1, 1990. It authorizes the Commission to reimburse employers covered by the administrative policy which, under the method of financing in force before the assessment year 1990, limited reductions of a unit's assessment rate to only one class of rate per year, for an amount of carried over credits in determining assessment for the assessment year 1989. The reimbursable amount cannot be greater than the amount of the employer's assessment calculated according to the rate he was given for 1989, which is reduced by the rate applicable to Class 1.

However, the employer is not entitled to such reimbursement if, for the year 1989, the mathematical rate of the unit in which he was classified and the assessment rate of that unit belonged to the same class of rates, or if the employer, at any time of that year, belonged to a unit defined as transitory for the determination of the rates for the assessment year 1989.

14. BALANCE DUE ON PUBLIC SERVICE PENSION PLAN

An actuarial valuation set at $49,787,000 the Public Service Pension Plan liability charged to the Commission as a result of services rendered by employees of the Commission before December 31, 1975. The Commission has been reimbursing this amount since December 31, 1978, by means of 23 equal annual instalments of $4,923,000, including principal and interest at a rate of 7.78% in 1989 decreasing to 6.66% in the year 2000, the year of the final instalment.

Capital reimbursements to be paid over the next five years respectively are:

1990	$ 2,138,800
1991	2,340,400
1992	2,549,200
1993	2,768,600
1994	2,998,900

15. INCOME FROM POOLED INVESTMENTS

	1989	1988 (in thousands of $) (note 21)
Balance at beginning	136,916	155,490
Gains and losses on the sale of investments in the individual fund in the *Caisse de dépôt et placement du Québec*	72,991	15,655
	209,907	171,145
Depreciation presented in investment income	(48,827)	(34,229)
Balance at end	161,080	136,916

16. PROVISION FOR DEVIATIONS CONCERNING THE REAL RATE OF RETURN

The provision for deviations concerning the real rate of return now appears as a separate item in the balance sheet.

In the provision for deviations concerning the real rate of return, the burden of rebalancing the situation rested on the assumption that the economy would eventually either absorb accumulated surpluses or compensate for the accumulated deficits, as the case may be. Now, the depreciation mechanism adopted is intended to put a time limit and make the absorption of annual surpluses or deficits related to economic variances more systematic. To maintain the time limit required between the year the variance began and the effect of the variance on the eventual assessment, which is two (2) years, each annual variation is amortized as of the second year following the year concerned.

The transition method consists in applying the new mechanism retroactively so as to reconstitute as of December 31, 1989 the situation that would have prevailed if the latter had been applied since 1984 to the gains identified since then in the real rate of return.

CONSISTENCY OF THE PROVISION FOR DEVIATIONS CONCERNING THE REAL RATE OF RETURN

	1989	1988
	(in thousands of $)	
Balance at beginning	407,447	—
Adjustment		
Statement separate from the actuarial reserve	—	407,447
Depreciation for 1986 to 1988 inclusive, entered directly in reduction of unfunded liability	(29,004)	—
Adjusted balance	378,443	407,447
Fiscal year's increase	191,612	—
Fiscal year's depreciation	(29,411)	—
	162,201	—
Balance at end	540,644	407,447

17. ACTUARIAL RESERVE

CONSISTENCY OF ACTUARIAL RESERVE

	1989	1988
	(in thousands of $)	(note 21)
Balance at beginning	4,657,559	4,772,719
Increase in expenses		
Present estimated value of future payments to employment injury victims and pregnant or breast-feeding workers		
- increase in actuarial reserve	279,266	135,365
- increase of the provision for deviations concerning the real rate of return	—	172,157
- changes in assumptions and in the method of calculating the actuarial reserve	(9,535)	(15,235)
Already established balance at end	4,927,290	5,065,006
Separate statement of the provision for deviations concerning the real rate of return	—	(407,447)
Balance at end	4,927,290	4,657,559

LEVEL OF CAPITALIZATION

The level of capitalization as of December 31, 1989 is 65.80% compared to 58.81% on December 1988, considering the changes in the presentation of the 1989 financial statements. These percentages were determined according to the proportion of assets over liabilities.

18. COMMITMENTS AND CONTINGENCIES

COMMITMENTS

Leases

The Commission was committed to leases totalling $47,341,453 on December 31, 1989 (1988: $55,879,587). These leases extend over a period between one and ten years with a renewal option upon expiry. A clause provides for rent review based on operation cost and tax increases. Payments over the next five fiscal years, based on the rental amount as of December 31, 1989, are respectively:

1990	$ 10,804,527
1991	8,885,145
1992	7,981,368
1993	7,080,494
1994	6,020,484

Equipment leasing and service contracts

On December 31, 1989, the Commission was committed to various equipment leasing and service contracts for an estimated total of $21,415,000 (1988: $26,793,000). Anticipated annual payments for these contracts, which extend over a period of one to four years are respectively:

1990	$ 14,659,000
1991	4,795,000
1992	1,938,000
1993	23,000

Provision for reimbursements with respect to Sections 326 to 331 of the *Act respecting industrial accidents and occupational diseases*

Under Sections 326 (1st paragraph) and 328 (1st paragraph) of the *Act respecting industrial accidents and occupational diseases*, the cost of benefits payable because of an industrial accident or an occupational disease is charged to the account of the employer for whom the worker receiving these benefits carried on employment at the time of the accident or performed work which led to this disease.

The Act provides for special circumstances which could lead to sharing or transfer of the charges for certain costs related to an occupational injury. In certain specific cases, the Commission also considers that the charges should be transferred or shared.

Because of the adoption of the policy of charging under sections 326 to 331 of the *Act respecting industrial accidents and occupational diseases*, the moratorium on the application of these sections, which was in force since August 19, 1985, is now lifted.

At the time of preparation of the financial statements, the Commission is unable to reasonably assess the amount required to cover the outstanding requests.

CONTINGENCIES

Businesses Under Federal Jurisdiction

On May 26, 1988, the Supreme Court of Canada issued a judgment stating that the *Act respecting occupational health and safety* was not applicable to businesses under federal jurisdiction.

Following this ruling, the Commission decided to reimburse these employers for assessments that were wrongfully paid, including interest of 5% per annum. These refunds were estimated at $55,000,000.

Moreover, lawsuits have recently been filed in the Québec Superior Court by several out-of-province transportation firms which consider themselves to be under federal jurisdiction. They are claiming complete reimbursement for assessments paid to the Commission for 1981 to 1988 inclusively, not just the portion of assessments applicable under the *Act respecting occupational health and safety*.

In addition, these firms are claiming interest on their eventual reimbursements at the rate set under Section 28 of the *Act respecting the Ministry of Revenue*, instead of the 5% rate determined by the Commission. These lawsuits amount to approximately $40,000,000, not including the claim for interest.

As far as this contingency is concerned, all of the Commission's payments, if need be, excluding the reimbursements estimated at $55,000,000, will be allocated as an adjustment to previous fiscal years.

19. OTHER MANDATES OF THE COMMISSION

The Commission pays benefits to employment injury victims on behalf of employers who are personally responsible for the payment of such benefits. These employers subsequently reimburse the Commission.

The Commission is also responsible for compensating victims under the *Crime Victims Compensation Act* and the *Act to promote good citizenship*. The Government of Québec reimburses the Commission for these benefits.

In addition, under the *Government Employees Compensation Act*, the Commission is responsible for compensating federal civil servants who had employment injuries. The Government of Canada and its agencies reimburse the Commission for these benefits.

Commission expenses for these benefits were divided as follows:

	1989	1988
		(in thousands of $)
Employers personally responsible for payment of benefits	21,710	21,134
Crime Victims Compensation Act and *Act to promote good citizenship*	17,419	15,709
Government Employees Compensation Act	10,779	9,583
	49,908	46,426

As they are completely reimbursed, these expenses and the reimbursements do not figure in the Commission's income and expenditure statements.

20. EMPLOYER CONTRIBUTIONS TO PENSION PLANS

The Commission's employees subscribe to the Public Service Pension Plan and to the Government and Public Agency Employees' Pension Plan, which are administered by the *Commission administrative des régimes de retraite et d'assurances*. Since July 1, 1982, the cost of these plans has been shared equally between employees and employers. However, as far as the Public Service Pension Plan is concerned, since January 1, 1990, the employers have assumed the difference between the cost of the plan and the contributions made by the employees. These are defined benefit pension plans and provide retirement and death coverage. The Commission's contributions charged to the year-end statement amount to $5,286,402 (1988: $4,817,641). The liability of the Commission toward these government plans, excluding the liability stated in Note 14, is restricted to its contributions for current services as an employer.

21. COMPARATIVE FIGURES AND CHANGES IN THE PRESENTATION OF THE FINANCIAL STATEMENTS

Certain figures for 1988 have been reclassified to conform to the presentation adopted in 1989, mainly the investment posted income, which, previously included in the cost reduction of the participation deposits, is now a part of the liabilities.

Previously included in the actuarial reserve, the provision for deviations concerning the real rate of return is now separately presented in the liabilities.

As of this fiscal year, the cash flows are no longer presented.

VICE-PRESIDENCY, FINANCE

The Vice-presidency, Finance is responsible for the planning, coordination and control of financial services, budget planning and accounting services. It administers the CSST's Computer Branch, and the Commission's statistical and management information systems. The vice-presidency consists of five branches: Actuarial Services, Analysis and Information Management; Budget Planning; Financial Services; Systems.

During the 1989 fiscal year, in addition to activities inherent to its responsibilities, the vice-presidency devoted its efforts to revising the Commission's method of assessment and reorganizing its computer systems.

Last year, the Vice-presidency, Finance reformed its method of assessment. The three major objectives on which this new assessment is based are as follows:

. To propose a better insurance plan to employers, providing greater stability in the rates and better sharing of the risks for the small and medium-sized businesses;

. To establish an assessment rating for the large businesses, so that the assessment rate charged to employers can more fairly reflect their efforts toward prevention;

. To review the method of sharing administrative and prevention expenses with a view to more equitable distribution.

The method of assessment constitutes a relatively *complex insurance product* since it must meet the insurance needs of all Québec businesses, which vary in size and because it must also include mechanisms that provide greater incentive to prevention of employment injuries. In 1989, a team of the Commission's actuaries, assisted by some firms in the private sector, brought the concept of a new method of assessment to a successful conclusion. The theme of this project was *For a true balance*.

The following changes were proposed as a means of improving the method of sharing risk and achieving greater stability in assessment rates:

. larger groups (classification units) to facilitate cost sharing on a wider basis, which implies a reduction in the number of units from 849 to 334;

. the introduction of limits per claim and of five large sectors to defer the financial impact of serious accidents to broader entities (principle of reinsurance).

Two measures were put forward as a means of promoting prevention. The *personalized rate* corrects the rate of the employer's unit by applying a risk index to him, based on the comparison of his accident experience

with that of his unit. The threshold of participation in 1990 is approximately $14,000 and over of annual assessment, the percentage of personalization growing according to the size of the assessment paid by the employer. The *retrospective plan* is intended for employers paying $332,000 or more annually, namely, employers who have less need for insurance because of their ability to absorb the impact of the cost of employment injuries which occur in their firm, on their assessment. Under the plan, the employer's assessment is adjusted *a posteriori* by comparing his actual costs with those estimated when the assessment rate was set. The new plan also allows the employer to choose the limit per claim that suits his insurance needs.

In addition to the cost of compensation programs, the CSST must distribute among the employers, the expenses related to its administration costs and to certain costs associated with prevention programs. In its quest for a more equitable system, and inspired by the current practice in private insurance, the Commission proposes a new method of distribution aimed at linking the assessment with services received.

An information and consultation campaign was conducted to present the draft of the new assessment method, explain the basic principles, the methodology and the purpose of the proposed changes, and also to receive and analyse the comments of the groups concerned.

Through this operation, eighty-four groups - employer associations, central labour bodies, professional corporations, etc. - have been met from March 6 to May 1, 1989. In cooperation with the *Conseil du patronat du Québec*, meetings of a more technical nature were organized between the Commission actuarial experts and those of the private sector.

After each meeting, questionnaires were given to the groups present. The responses were reviewed by a team of analysts who then produced a statistical portrait and a series of recommendations. The consultation indicated a major commitment to modifying the CSST's method of assessment.

Following close to two years of work by the Systems Branch, in cooperation with all the Commission's vice-presidencies and some firms in the private sector, the implementation of a master plan for information systems was adopted by the Commission's Board of Directors. The master plan assesses the current situation in Systems, and proposes architectural, technological, and organizational guidelines in accordance with the Commission's strategic orientation for the coming years.

Other activities include: the development of a policy geared to full capitalization and enabling the balance between the Commission's assets and liabilities to be redressed while equity objectives are maintained; respect for the fund; stability; and prevention. At the end of 1989, this policy was being examined by a committee of the Board of Directors. In addition, *Québec Occupational Health and Safety Plan 1978-1988 - A Ten-Year Statistical and Financial Portrait* was produced in response to an information need on the operation and evolution of the Québec Workers' Compensation Plan.

ASSESSMENTS

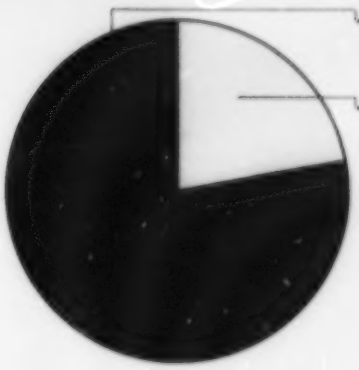
Employer assessments reached $1,530.2 million in 1989, including a $18.2 million adjustment to the final assessment of previous years. This assessment income increased by $92.5 million or 6.4% over 1988.

Given a relatively strong economic activity, employers declared a total payroll of $55.8 billion in 1989, compared to $52.3 billion in 1988. In addition, the maximum insurable wage rose from $36,500 to $38,000 in the same period.

The average assessment rate, which was $2.75 per $100 of insurable earnings in 1988, remained unchanged in 1989. In 1990, this average assessment rate is undergoing a major decrease to $2.50, while the maximum insurable earnings increases to $40,000.

On December 31, 1989, there were 182,322 active employer files at the Commission. These employers were divided in 845 units whose assessment rates by and large ranged from $0.18 to $15.42 per $100 of insurable wages. The units were also grouped in 33 classes. Of these 33 classes, only 10, representing 12 units (465 employers) were assessed at a higher rate.

COMMISSION INCOME - 1989
(in millions of $)



1,530.2 Employer assessments (77.82 %)

436.1 Investement income on assessments (22.18 %)

Total : 1,966.3 millions of $

MERIT OR DEMERIT CALCULATED IN 1989
ASSESSMENTS 1986

			MERIT		DEMERIT	
			Number of Employers	Average Merit	Number of Employers	Average Demerit
$ 52,000	to	$ 105,000	574	$ 12,169	565	$ 21,837
$ 105,000	to	$ 210,000	250	24,511	266	38,843
$ 210,000	to	$ 522,000	168	46,802	140	65,406
$ 522,000	to	$ 1,044,000	34	95,574	43	133,483
$ 1,044,000	to	$ 2,091,000	22	206,728	14	230,069
$ 2,091,000	to	$ 4,182,000	6	300,962	7	388,693
$ 4,182,000	to	$ 8,887,000	5	742,913	1	62,724
$ 8,887,000	and over		0	0	1	687,580

MERIT/DEMERIT PLAN

The main goal of the merit/demerit plan is to encourage accident prevention among employers. As well, it is intended to acknowledge that employers with the same assessment rate within the same unit may have differing occupational injury records. To some extent, it allows for a more equitable sharing of the costs of the plan administered by the Commission.

Merit or demerit is calculated three years after the year to which it applies. The procedure is explained by the fact that a work accident involves expenses which extend over the calendar year during which the accident occurred. Overall, the expenses caused by an accident are not significant until a three-year period has expired.

The method of calculation enables assessments the employer pays to be compared with the total amount of expenses for accidents his workers have suffered. First, the available assessment is determined by subtracting from the final assessment for the relevant year, an amount related to certain financial requirements, which by nature must be supported by the employers as a whole. The designated cost of the demerit limit (the limit now being 50% of the final assessment), is then subtracted to obtain the net assessment.

This net assessment is then compared with the sum of expenses that have accumulated over a three-year period and for accidents that occurred during the year in question. The employer whose expenses are lower than his net assessment earns, as merit, the difference between these two amounts. If the expenses are higher, he must pay the excess up to a limit of 50% of his final assessment. Merit or demerit is spread over three years.

Special class employers, and those whose contribution was less than $52,000 in 1986, or whose files were closed on December 31, 1988, were not eligible to the plan in 1989.

In 1989 this plan affected 2,496 employers. 1,059 employers earned merit, for a total amount of $34.3 million, and 1,037 demerit, for a total of $44.3 million.

Under Section 16 of the *Act to amend the Act respecting industrial accidents and occupational diseases* (1989, c. 74), this plan will continue to apply for the reference years 1987, 1988, and 1989.

Effective January 1, 1990, the merit/demerit plan is replaced by a new assessment method, which will enable employers meeting certain conditions to benefit from a personalized rate or a retrospective plan.

COMMISSION'S FINANCIAL POSITION AT 1989 YEAR END

The Commission's total income for the year ended December 31, 1989 was $1,966.3 million, compared to $1,754 million in 1988, an increase of 12.1%.

Assessment income rose from $1,437.7 million in 1988 to $1,530.2 million in 1989, an increase of $92.5 million. It represents 77.8% of total income.

Income derived from investment and interest on assessments reached $428.7 million in 1989, a major increase of $113.5 million compared to the previous year.

Despite the maintenance of the average assessment rate at $2.75, the Commission's total income increased by $212.3 million compared to 1988, chiefly because of relatively healthy activity in most sectors of economic activity, and an appreciable increase in the funds entrusted to the *Caisse de dépôt et placement du Québec*.

In fiscal year 1989, the Commission's total expenditure reached $1,753.2 million, compared to $1,650.8 million for 1988, an increase of $102.4 million. A significant increase in the cost of compensation programs compared to 1988 should be noted. The cost of these programs actually increased from $1,023.9 million to $1,239.1 million in 1989. This $215.2 million increase results from an increase of $69.7 million in benefits paid and a net increase of $145.5 million in the actuarial reserve.

However, the cost of the protective reassignment of the pregnant or breast-feeding worker program continued to rise, sustaining a new increase of 38.3%, or $54.2 million in 1989 from $39.2 million in 1989.

COMMISSION EXPENDITURE IN 1989

Category	(in thousands of $)	(%)
Employment injuries that occurred in 1989[1]	897,911	51.2
Employment injuries that occurred before 1989[2]	341,156	19.5
Protective reassignment of pregnant or breast-feeding workers	54,180	3.1
Prevention	67,421	3.8
Administration expenses	168,638	9.6
Other expenses[3]	36,306	2.1
Assessment reimbursements	25,400	1.4
Deviations concerning the real rate of return	162,201	9.3
TOTAL	1,753,213	100.0

1. Including $268.1 million spent in 1989 and $629.8 million transferred to the actuarial reserve.
2. Difference between annual expenditure of $705.6 million and an amount of $364.4 million drawn from the reserve.
3. Bad debts, interest on balance owed to the Public Service Pension Plan for service prior to December 31, 1975, and administration expenses for the *Commission d'appel en matière de lésions professionnelles*.

COMMISSION'S LEVEL OF CAPITALIZATION FROM 1980 TO 1989 (in thousands of $)

Year	Assets[1]	Liabilities[2]	Capitalization[3]	%
1980	1,416,497	1,809,765		78.3
1981	1,707,228	2,203,014		77.5
1982	1,897,841	2,577,366		73.6
1983	2,091,543	2,958,235		70.7
1984	2,117,340	3,440,250		61.5
1985	2,146,935	4,017,701		53.4
1986	2,233,961	4,462,094		50.1
1987	2,521,634	4,882,014		51.7
1988[4]	3,223,103	5,480,335		58.8
1989	3,877,023	5,892,172		65.8

1. Corresponding to the assets appearing in the financial statements after adjustments for 1980 to 1982 inclusively, to account for the reported costs transferred to unfunded liability in 1983.
2. Corresponding to the liabilities appearing in the financial statements after adjustments for 1980 to 1982 inclusively, to account for the variance between the mathematical and the notional reserves entered in the books in 1983.
3. Set as a ratio of asset to liability.
4. Certain 1988 figures have been reclassified to conform to the presentation adopted in 1989, mainly the investment income reported, which is now presented in the liabilities, while previously it figured in the reduction of the cost of participation deposits.

Although the cost of prevention programs remained relatively stable at $67.4 million, administration and other costs rose respectively by $28.1 million and $16.5 million, to $168.6 million and $36.3 million in 1989, compared to $140.5 and $19.8 million in 1988. Salaries and fringe benefits accounted for more than $15 million of the increase in administration costs.

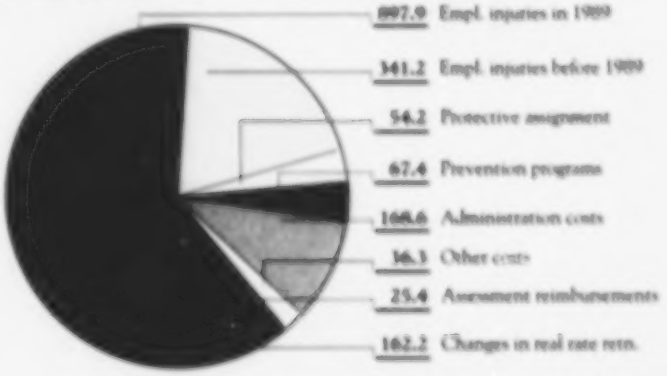
In 1989, the Commission recorded an expenditure of $25.4 million as reimbursement to employers for credits accumulated under the assessment method in force prior to January 1, 1990. In 1988, a provision of $187 million for reimbursing assessments had been recorded in expenditures related to Sections 99(3) and (5) and 111(7) of the *Workmen's Compensation Act*, economic stabilization and rehabilitation benefits programs, and with respect to businesses under federal jurisdiction. The reimbursements made during 1989 in reduction of the provision established at the previous year's end total $54 million.

Excess of income over expenditure in 1989 was $213.1 million, compared to an excess of $103.1 million recorded during the previous year.

This excess of income over expenditure largely contributed to the reduction of unfunded liability, which decreased to $2,015.1 million as of December 31, 1989, compared to $2,257.2 million as of December 31, 1988, after an adjustment of $29 million on January 1, 1989, due to the retroactive amortization of the deviations concerning the real rate of return.

The capitalization level of the Commission's funds increased by 6.99% on December 31, 1989. This figure, set as a ratio of asset to liability, is now 65.80%, compared to 58.81% on December 31, 1988, and 51.65% on December 31, 1987.

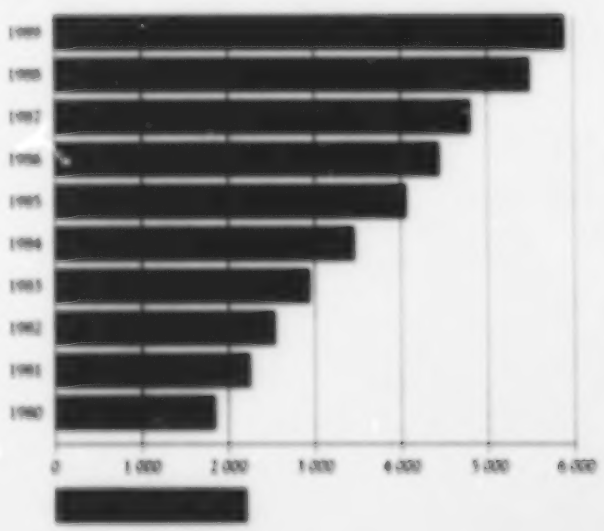
COMMISSION EXPENDITURE - 1989
(in millions of $)



Total : 1,753.2 millions of $

pages 31

LEVEL OF CAPITALIZATION, 1980 - 1989
(in millions of $)



MANAGEMENT OF FUNDS

As of December 31, 1989, the Commission's total assets reached $3,877 million, 87.3% of which were deposited with the *Caisse de dépôt et placement du Québec*, where the Commission is the sole holder of an individual fund. The Commission manages its own short-term investments, but under the *Act respecting industrial accidents and occupational diseases*, it must deposit with the *Caisse de dépôt et placement du Québec* monies it does not foresee needing in the short run, to be able to cover benefits or administration costs. The contributions made to the *Caisse* in 1989 amount to $350 million.

For the short-term investments, the Commission deals with Canadian chartered banks and savings institutions operating in the financial marketplace. Investments are placed with the institution offering the best return on investment instruments and investment limits authorized by the Commission.

The funds deposited in the *Caisse de dépôt et placement du Québec* now stand at $3,386.2 million, compared to $2,677.5 million in 1988. Their equity value was set at $3,438.7 million on December 31, 1989, an increase of $785.2 million, compared to that of 1988. These investments returned an income of $331 million (as accounted for by the *Caisse*), or 11.51%, an increase of $120.4 million compared to last year. The diversification of this investment portfolio into stocks, mortgages, and real estate, undertaken a few years ago, avoids the risk of concentrating funds in a single type of investment.

It should be stressed that, under the Commission's financing method, the investment income is automatically deposited into the actuarial reserve to ensure it is sufficient.

DISTRIBUTION OF COMMISSION FUNDS ENTRUSTED TO THE *CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC*, ACCORDING TO THEIR REALIZABLE VALUE ON DECEMBER 31, 1989[1] (in millions of $)

	1989	%	1988	%
Bonds	1,753.2	49.0	1,521.3	56.0
Stocks	1,132.0	31.6	884.4	32.5
Short-term investments and deposits in the general fund	332.2	9.3	73.6	2.7
Real estate investments	165.1	4.6	73.8	2.7
Mortgages	146.9	4.1	117.9	4.3
Miscellaneous assets	51.9	1.4	47.4	1.8
	3,581.3	100.0	2,718.4	100.0
Other liabilities[2]	142.6		64.8	
TOTAL	**3,438.7**		**2,653.6**	

1. The distribution of the portfolio as a percentage of cost appears in note 10 of the financial statements.
2. Last quarter income not yet collected.

VICE-PRESIDENCY, OPERATIONS

The Vice-presidency, Operations is responsible for activities in the regional branches affecting the provision of services to the Commission's varied clientele. To exercise its mandate, the Vice-presidency, Operations includes five branches: Network; Support; Control and Evaluation; Medical Services; Crime Victims Compensation.

During 1989, the Vice-presidency, Operations completed the regional reorganization undertaken the previous year such that the services to the clientele are now dispensed through twenty-one regional branches. From a functional perspective, this process of regional reorganization integrates prevention-inspection and compensation-rehabilitation services into one administrative unit, while retaining the specialization of each officer. This integration of the broad operational functions, enables the real problems to be identified and, as a result, provides the Commission with a clearer perception of the action needed to ensure the workers' occupational health and safety.

To support the achievement of the Commission's operational objectives for 1989, the Vice-presidency, Operations established an action plan which makes provision for the developing of means of intervention, and measuring indices, and the establishing of a quarterly follow-up process for reaching results. While the first months of application of this follow-up of objectives enabled the data collected to be clarified and validated, the year-end results permitted the sectors of activities on which the 1990 planning will be oriented to be defined.

In addition to measuring the extent to which the operational objectives have been obtained, the Vice-presidency, Operations began, in 1989, to verify whether regional processing procedures are in accordance with the established intervention framework, to ensure compliance and uniformity in processing files in the regional branches. Eligibility for compensation, referral, and rehabilitation, and the intervention framework in prevention-inspection were also verified. This process will continue in 1990, and a centralized structure for quality control will be added to it.

Various measures have been taken by Operations, in cooperation with the other vice presidencies concerned, to improve services to beneficiaries. In the area of eligibility, a more formal procedure has reaffirmed the four principles that must guide the decisions of the intervenors: the examination of each request on its merits, the acquisition of the necessary information for decision-making, respect for the field of jurisdiction of the various parties, and the issuing

of a well-founded, timely decision to the parties. However, a priority procedure for controlling decisions, eligibility, and compensation claims has been established, so that the clientele of each regional branch can have access to uniform processing procedures that comply with the Act. This procedure is intended to control 100% of eligibility refusals, before the decision is handed down, and, by sampling, 10% of the decisions to be issued on both eligibility and the basis of calculating benefits.

The Vice-presidency, Operations has also taken administrative measures to encourage processing of requests from workers with functional disabilities preventing them from carrying on their employment, even in the absence of permanent injury giving them the right to rehabilitation. In these cases, the Commission will use occupational rehabilitation measures which facilitate the reintegration of these workers into employment.

The vice-presidency also ensured that the policies retained by the Commission in 1989, on eligibility to the protective reassignment of pregnant or breast-feeding workers program are uniformly applied. These policies sanctioned the vital role of the attending physician and community health department physicians.

In the area of prevention and inspection, the vice-presidency developed an intervention framework for the Commission's inspectors, to clarify and reinforce their mandate and powers, as well as their contribution to the objective of reducing the frequency and gravity of employment injuries. Thus, the major construction sites were the subject of prevention provisions particular to this type of site. The Commission also led a joint operation with the parties concerned and the specialists in the field with regard to the tower and mobile cranes, aimed at sensitizing the parties to their respective responsibilities, the dangers incurred and to taking the necessary corrective measures to ensure the occupational health and safety of construction site workers.

Since the quality of service to the clientele depends on the access facilities, the Commission took measures to improve the quality of its telephone service. Accordingly, it decided to accept the collect calls of users from two territories, on an experimental basis. This experiment having been conclusive, collect calls have been authorized in all regional offices as of January 1990, until a toll-free telephone system is established. In addition, regional branch policy on telephone calls facilitates direct access to the intervener in the file, thereby improving the response rate and reducing waiting time in the general information department.

The Vice-presidency, Operations continued its structured approach to operational staff training which it had used in 1988. Thus, more than 4,500 person-days were devoted to training activities, an increase of 58%, compared to 1988. A total of 1,302 persons participated in the various training activities.

The main themes for 1989 were aimed at both the employees functions and some of the more technical analytical aspects of basic knowledge. Noteworthy items at a functional level include: the orientation sessions for new compensation officers and rehabilitation counsellors, the role of inspectors as resource persons, the legal aspects of the recourse-conciliation function, the human relations attitudes and techniques to be developed through the employees that are in contact with the users, etc. It should be noted that in the area of technical analyses, training sessions were offered to inspectors in farm tractors, ergonomics, accident investigation, mobile cranes, handling and use of explosives, travelling scaffolds, and air quality in office buildings. In addition, counsellors and specialists in rehabilitation were trained to use an ergonomic analysis grid while compensation officers received training in eligibility procedures and medical follow-up.

The Medical Services Branch pursued its plan for communicating with outside physicians, including the procedure for processing employment injury requests, and the role devolved upon outside as well as inside parties.

SCALE OF BODILY INJURIES REGULATION

The delayed adoption (two years after the Act came into force) of the Scale of Bodily Injuries Regulation led to a backlog of over 47,000 files awaiting payment of compensation for bodily injury. A special operation in early 1989, facilitated by an addition to the staff and the application of a mechanized system of payment, was instrumental in stemming this tardiness. On December 31, 1989, all the claimants had been called for their medical evaluation, and 33,000 files were completed. This operation will finally be completed during the first months of 1990.

ACCIDENT NOTICES AND CLAIMS

In 1989, the Commission opened 251,557 new files on industrial accidents, occupational diseases or deaths, a 4% decrease from the 261,905 files opened in 1988. Claims were made under the *Workmen's Compensation Act*; the *Act respecting industrial accidents and occupational diseases*; and the *Federal Government Employees Compensation Act*. The number of files on industrial accidents or occupational diseases involving a payment for time off work or for death increased by 1.3%, from 215,867 in 1988 to 218,730 in 1989. More specifically, files on occupational diseases involving a payment for time off work increased by 65%, from 2,429 in 1988 to 4,010 in 1989. This can be explained in part by the fact that the claims accepted and compensated which involved musculo-skeletal diseases doubled between 1988 and 1989. Among the cases processed in 1989, 492 were compensated without involving time off work. Of this number, 456 of the files opened were related to occupational diseases.

In 1989, the Commission also dealt with 25,990 claims involving relapse or aggravation, 4,684 of which were related to injuries that occurred before August 19, 1985. Among the claims processed, 20,973 involved a payment for time off work and 428 a payment not involving time off work.

The Commission noted that 181 workers lost their life in 1989 following a work accident or occupational disease. This represents an increase of 40.3%, compared to 1988, during which 129 persons lost their lives under the same circumstances.

NUMBER OF FILES OPENED DURING THE YEAR, BY INCIDENT (1988 - 1989)

Incident	1989 [1]	1988 [2]
Industrial accidents		
Accidents involving time off work, accepted and compensated[3]	214,720	213,438
Accidents, not involving time off work, accepted and compensated[4]	36	N/A
Other accidents[5]	29,020	N/A
Partial total	29,056	41,750
Total	243,776	255,188
Occupational diseases		
Occupational diseases involving time off work, accepted and compensated[3]	4,010	2,429
Occupational diseases, not involving time off work, accepted and compensated[4]	456	N/A
Other occupational diseases[5]	3,315	N/A
Partial total	3,771	4,288
Total	7,781	6,717
TOTAL	251,557	261,905

1. Data on March 1, 1990
2. Data on March 1, 1989
3. Includes all files opened during the year, and in which there was a death benefit or at least one income replacement indemnity was paid.
4. Includes all files involving no interruption of work following the incident, and in which at least one amount was paid for bodily injury.
5. Includes all claims refused, still under consideration, or all claims accepted and involving no payment of an income replacement indemnity, a death benefit, or compensation for bodily injury.

DEATHS OCCURRED DURING THE YEAR, FOLLOWING EMPLOYMENT INJURY (1988 - 1989)

Incident	1989 [1]	1988 [2]	1988 [3]
Industrial accidents	158	117	158
Occupational diseases	23	12	48
TOTAL	181	129	206 [4]

1. Data on March 1, 1990.
2. Data on March 1, 1989.
3. Data on March 1, 1990.
4. It was noted, one year after having produced the 1988 statistics, that the total number of deaths that occurred during 1988 increased from 129 to 206.

SERVICES AVAILABLE TO WORKERS AND BENEFITS PAID

In 1989, total disbursements for employment injuries amounted to $973.7 million. Included in this number are the costs of medical assistance, rehabilitation, temporary disability benefits, income replacement indemnity, permanent disability benefits, death benefits, and compensation for bodily injuries.

The amount paid for medical assistance fees rose to $113.7 million, 72.3% of which was used to reimburse hospital care and professional health services. Physical, occupational, and social rehabilitation expenses rose to $42.5 million. Physical rehabilitation (mainly physiotherapy treatment) accounted for approximately 62% of this amount, 16% for social rehabilitation, and 22% for occupational rehabilitation.

In 1989, indemnities paid to workers were based on maximum insurable earnings of $38,000. Benefits paid to workers for lost time in 1989 totalled $494.1 million, comprising $49.7 million for temporary disability and $444.4 million in income replacement. It should be noted that, compared to 1988, the payments for temporary disability decreased by $14.9 million, while those for income replacement indemnities rose by $55.1 million.

The indemnities paid for temporary disability represent 5% of disbursements for employment injuries. Of these indemnities, almost 75% were paid as income support under social and economic stabilization programs, 10% for medical consolidation, and 15% for rehabilitation.

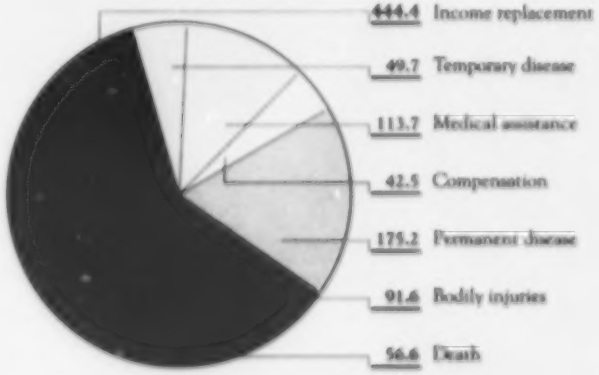
Income replacement indemnities represent 45.6% of the total disbursements. Approximately one fifth of these indemnities were paid directly by the employers during the compulsory period. The employers are subsequently reimbursed by the Commission.

DISTRIBUTION OF BENEFITS PAID FOR EMPLOYMENT INJURIES, BY CATEGORY (1988 - 1989)[1]

Category	1989 (thousands of $)	1988 (thousands of $)
Medical assistance and rehabilitation expenses	156,181	146,638
Indemnities for temporary disability	49,717	64,607
Indemnities for income replacement	444,427	389,317
Permanent disability benefits	175,275	187,782
Death benefits	56,576	86,398
Compensation for bodily injuries	91,563	29,334
TOTAL compensation of employment injuries	973,739	904,076
Protective reassignment of pregnant or breast-feeding workers	49,777	38,879

1. The **cost** of compensation programs, excluding protective reassignment, but including the increase of the actuarial reserve, is established at $1,239,067,000 in 1989, compared to $1,023,935,000 in 1988 (see note 4 of the financial statements).

BENEFITS PAID FOR EMPLOYMENT INJURIES - 1989
(in millions of $)

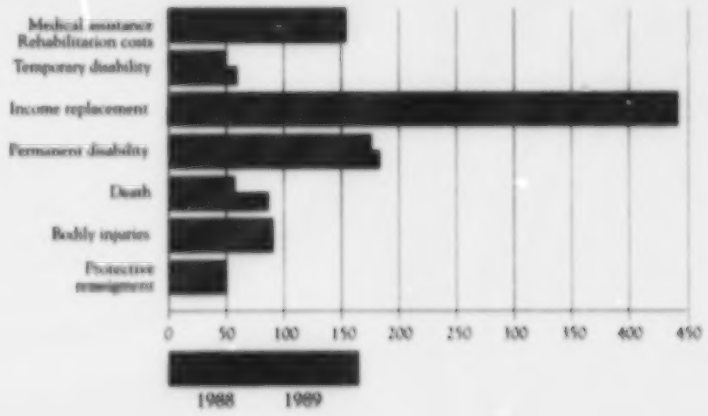


Total : 973.7 millions of $

The Commission offers beneficiaries professional services and financial assistance within programs aimed at helping them resume personal and social independence, return to work, or sustain their income. Thus, within the framework of occupational rehabilitation, 7,217 workers benefited from the occupational evaluation program, 1,831 from occupational training, and 1,060 from support in the search for employment. In the case of social rehabilitation programs, 1,270 workers obtained home care services and 886 psycho-social intervention services.

Apart from paying indemnities for lost time, the Commission pays annuities. They are paid because of permanent disability or death. The permanent disability annuities are life annuities, paid to beneficiaries whose injury occurred prior to August 19, 1985. For these beneficiaries, once their injury has healed or stabilized, or the rehabilitation treatment has ended, a permanent physical impairment persists. On December 31, 1989, 31,033 persons benefited from such an annuity, 609 for the first time. It should be noted that a permanent disability annuity may be paid in the form of a capital payment if it is lower than a monthly amount set at $117.62 for 1989. During this year, 202 beneficiaries received such capital payments. In all, $175.3 million were paid for permanent disability, or 18% of the total disbursements for employment injuries, a decrease of 6.7% compared to 1988. It should be pointed out that, for the injuries that occurred since August 19, 1985, the permanent disability annuities have been replaced in part by lump-sum amounts entitled compensation for bodily injuries. In 1989, the Commission paid a total of $91.6 million in compensation for bodily injuries, an increase of 212%.

DISTRIBUTION OF BENEFITS PAID FOR EMPLOYMENT INJURIES, BY CAYEGORY (1988-1989)
(in millions of $)



NUMBER OF ANNUITIES, BY GOVERNING LEGISLATION (1988-1989)

Act	1989	1988
Workmen's Compensation Act		
Permanent disability annuities[1]		
Industrial accidents	26,469	27,963
Occupational diseases	4,564	4,921
Total	31,033	32,884
Death benefits[1]		
Surviving spouses	2,446	2,725
Children	1,024	1,199
Other dependents	54	67
Total	3,524	3,991
Act respecting indemnities for victims of asbestosis and silicosis[1]	147	182
Act respecting industrial accidents and occupational diseases		
Death benefits[2]		
Surviving spouses	376	330
Minor children	548 [3]	N/A
Total	924	N/A

1. Active annuities on December 31.
2. Active annuities during the year.
3. This corresponds to the number of children that have received a death benefit.

N.B. These annuities may not be added since, in some cases, they are active on December 31 while, in other cases, they are active annuities at one time or other during the year.

What we are witnessing is a catch-up phenomena, since only in 1988 did the Commission begin to pay such indemnities, while the beneficiaries were entitled to this type of indemnity since August 19, 1985.

Pensions paid following a death differ depending on the time the death occurred. In effect, if the death occurred before or on August 18, 1985, the annuity is a life annuity, while it is temporary (maximum three-year term) if the death occurred after this date. In 1989, 3,524 persons (surviving spouse, child, other) received a life annuity, 7 for the first time. The Commission also paid temporary annuities to 376 surviving spouses, 177 for the first time, and 548 children, 158 for the first time. A total of $56.6 million was disbursed in the payment of death benefits. 67.3% of this amount was paid in life annuities, 8.4% in temporary annuities, and 24.3% in lump-sum payments or funeral costs.

BENEFITS FOLLOWING PROTECTIVE REASSIGNMENT OF PREGNANT OR BREAST-FEEDING WORKERS

Since 1981, the Commission has been administering the benefit program for pregnant or breast-feeding workers who exercise their right to protective reassignment under the *Act respecting occupational health and safety*. The purpose of the plan is to allow a pregnant or breast-feeding worker to be immediately reassigned to non-hazardous duties, upon medical confirmation that her pregnancy, or her unborn, breast-fed child may be exposed to a particular hazard.

During 1989, the Commission received 18,043 benefit claims from women exercising this right, compared to 16,111 claims in 1988. This represents an increase of 12%, approximately the same increase that was observed over the last two years. In 1989, 14,785 (82%) of these claims were accepted and 2,914 (16%) were rejected; 344 (2%) were still under consideration on March 1, 1990. During 1989, the Commission paid $49,777,000 in benefits, an increase of 28% over 1988. Of this amount, $38,276,000 were paid for 1989 reassignments, while $11,501,000 were paid for reassignments during previous years. It should be noted that, since August 19, 1985, benefit payments are made according to the provisions of the *Act respecting industrial accidents and occupational diseases*.

The regular increase in the number of claims since the plan came into effect stems partly from the fact that workers are more familiar with their rights, the risks which might induce workers to exercise their rights are undefined, and reassignments to non-hazardous jobs are scarce.

BENEFITS FOR VICTIMS OF CRIMES OR RESCUE ACTS (GOOD CITIZENSHIP)

In 1989, the Commission continued to administer the compensation plans under the *Crime Victims Compensation Act* and the *Act to promote good citizenship*. Benefits and services to which beneficiaries of these Acts are entitled are by and large the same as those provided under the *Workmen's Compensation Act*, which remains in force for this purpose.

In 1989, the Commission received 2,376 claims from crime victims. During the year, the Commission ruled on 1,638 claims: 1,270 were accepted and 368, rejected.

The Commission also received 27 claims under the *Act to promote good citizenship*. Of the 30 decisions handed down in 1989, 25 were accepted and 5 rejected.

During this period, the Commission paid $17.4 million in benefits under these two Acts. These benefits and administration expenses are charged to the province's consolidated fund.

INTRODUCTION AND OPERATION OF PREVENTION MECHANISMS

On March 1, 1990, the Commission had received 2,987 prevention programs from establishments of 21 or more workers. Of this number, 1,103 programs originated from Group I establishments, 486 from Group II, and 1,398 from establishments in Group III.

The Commission also received 1,143 health programs from establishments of 21 or more workers from Group I, 615 programs from those from Group II, and 53 programs from Group III.

Among Groups I and II establishments of 21 or more workers, 658 had a health and safety committee on site, which represents 22% of establishments of this size.

The Safety Representative in an Establishment Regulation has been in effect since August 29, 1984, in establishments from Groups I and II. The Commission received 314 notices designating a safety representative in establishments of 21 workers or more, which represents 11% of such establishments.

ESTABLISHMENTS OF 21 OR MORE WORKERS FROM GROUPS I, II AND III WHICH HAVE INTRODUCED PREVENTION MECHANISMS (1989)[1]

	Initial Prevention Program[2]	Health Program Received[3]	Health and Safety Committee[4]	Safety Representative[5]
GROUP I				
Buildings and public works	341	234	15	1
Chemical industry	112	117	44	29
Forestry and sawmills	314	350	157	78
Mines, quarries and oil wells	93	117	50	32
Metal products fabricating	243	325	122	54
Total for group	**1,103**	**1,143**	**388**	**194**
GROUP II				
Wood industry (except sawmills)	129	186	64	24
Rubber and plastic products industry	126	158	55	25
Manufacturing of transportation equipment	79	102	47	17
Primary processing of metals	63	66	52	29
Manufacturing of non-metal mineral products	89	103	52	25
Total for group	**486**	**615**	**270**	**120**
GROUP III				
Public administration	551	17		
Food and beverages	273	13		
Furniture	122	13		
Paper	111	2		
Transportation and storage	341	8		
Total for group	**1,398**	**53**		
TOTAL	**2,987**	**1,811**	**658**	**314**

1. Data on March 1, 1990.
2. Although all establishments in priority sectors are required to develop a prevention program, only those with 21 or more workers have to submit a program to the CSST.
3. Data supplied by the HC-CMOs. It should be noted that these data are incomplete, since some information was not available. In addition, these data cannot be compared to 1988 data, since the latter include information from establishments of 20 workers or less. The health program is part of the prevention program, it is prepared by the physician in charge of the establishment's health services, under the terms of contracts between the Commission and the HC-CMOs.
4. Health and safety committees formed under the Act and for which notice was sent to the Commission.
5. Safety representatives designated under the Act and for whom notice was sent to the Commission by establishments with or without a health and safety committee.

page 59

COMMISSION INTERVENTIONS

In 1989, regional prevention and inspection teams paid 43,984 visits to establishments and job sites, a decrease of 3.3% compared to 45,488 visits in 1988. The number of files where the Commission intervened in an assistance, evaluation or control capacity, whether incentive or coercive, rose to 13,092, or 67.1% of all files processed. There were 5,233 interventions following complaints, 66, or 1.2% less than in 1988. The Commission

COMMISSION INTERVENTIONS IN ESTABLISHMENTS AND MEASURES TAKEN, BY TYPE OF INTERVENTION (1989)

INTERVENTION OR MEASURES TAKEN	Control	Assistance	Evaluation	Investigation	Complaint	Refusal	Dispute	TOTAL
Intervention files								
Receive	8,791	1,004	3,297	700	5,233	308	173	19,506
Closed with intervention	8,745	738	3,039	584	4,250	240	128	17,724
Closed without intervention	515	106	1,055	141	898	30	8	2,753
Visits								
Initial	7,925	598	379	502	3,970	270	102	13,746
Control	23,241	311	212	716	5,482	267	9	30,238
Total	31,166	909	591	1,218	9,452	537	111	43,984
Measures								
Non-compliance noted	33,797	199	164	728	9,487	209	1	44,585
Machines stopped	64	0	3	6	39	3	0	115
Premises closed	476	1	4	26	289	2	0	798
Seals affixed	194	7	1	18	83	4	0	307
Violation notices issued	765	3	6	40	190	7	0	1,011
Violation notices abandoned	72	0	1	4	16	0	0	93
Violation notices paid	350	1	4	23	72	2	0	460
Legal proceedings initiated	436	2	6	20	104	2	0	570
Legal proceedings won	238	2	4	22	68	1	0	335
Legal proceedings lost	29	0	3	8	10	1	0	51
Legal proceedings abandoned	58	0	2	3	19	0	0	82

was called upon to intervene in 308 cases of refusal to work, compared to 299 the previous year, an increase of 3%.

The Commission also intervened in 700 cases involving the death of a worker, serious injuries to one or more workers or major material damages. It should be underlined that in 1989, according to data collected by the prevention-inspection teams, the Commission recorded 112 fatal accidents resulting in the death of 128 workers in the workplace.

In 1989, Commission inspectors recorded 44,585 cases of non-compliance, compared to 40,374 in 1988, an increase of 10.4%. The Commission also sent out 1,011 violation notices in 1989, compared to 1,178 in 1988.

REDRESS AND CONCILIATION

In cases covered by Section 32 of the *Act respecting industrial accidents and occupational diseases* and Section 227 of the *Act respecting occupational health and safety*, the Commission may sometimes attempt to reconcile the worker and the employer. The Commission's intervention may also be requested in cases covered by Sections 245, 246, and 251 of the *Act respecting industrial accidents and occupational diseases*. When the Commission is apprised of such a request, it attempts to reconcile the parties, failing which, the Commission hands down a decision.

The Commission received 2,059 complaints or requests for intervention under these various provisions in 1989, a 9.4% increase over 1,882 complaints or requests in 1988. These files are divided as follows: 399 complaints under Section 227 of the *Act respecting occupational health and safety*, 1,604 under Section 32 of the *Act respecting industrial accidents and occupational diseases*, and 56 requests for intervention under Sections 245, 246, and 251 of this Act.

During the same period, persons mandated by the Commission processed 1,910 complaints or requests for intervention. Conciliation was successful in 610 cases. 192 complaints or requests were accepted, 394 rejected, and 324 declared inadmissible. 390 were withdrawn by those who submitted requests.

VICE-PRESIDENCY, PLANNING AND PROGRAMS

The Vice-presidency, Planning and Programs is mandated to design, plan, develop and implement policies, programs, regulations and standards on occupational health and safety. It provides information and documentation services and is responsible for evaluating programs as well as conducting prospective analyses in occupational health and safety. It also coordinates liaison and negotiations with the Commission's external partners and is charged with developing and establishing framework for programs in occupational health.

The department is composed of four branches: Occupational health and safety information; Prevention and inspection programs; Rehabilitation and compensation programs; Consultation, program evaluation and planning.

OCCUPATIONAL HEALTH AND SAFETY INFORMATION

The Documentation Centre provides documentation services to occupational health and safety interveners as well as the public at large. In 1989, the Montréal and Québec City documentation centres responded to 6,595 requests for information; loaned 6,005 documents, borrowed 5,859 documents from other libraries, and replied to 5,040 requests for photocopies. In addition, the audiovisual library loaned 4,144 audiovisual documents and added 25 new titles to its collection.

The ISST database, which contains a comprehensive collection of health and safety documentation in Québec, increased by 9,956 new titles, over 2,000 of which were received from participants outside this database. In addition to the Commission and IRSST documentation centres, twelve joint sector-based associations participate in the ISST database. The latter now contains 97,162 titles.

During 1989, 6,566 new products were added to the Toxicological Index databank to bring the total number of products contained to 111,495. Of this number, 5,638 are available to the public on validated data sheets.

In 1989, 58,658 requests for product information were directed to the Toxicological Index, 12,621 electronically; 51,214 answers were given, or 90.7% of all the questions received, the other questions awaiting answers from the manufacturers concerned. The Index also provides a telephone information service for cases related to the protective reassignment of pregnant or breast-feeding workers' program, sampling, or refusal of work. Seven thousand and ninety-eight

telephone requests for information on 9,014 products were directed to the Toxicological Index. One thousand and thirty-four of these requests related specifically to WHMIS. In all, in 1989, 71,072 requests for information were processed in the Toxicological Index.

CONSULTATION, PROGRAM EVALUATION AND PLANNING

In the area of external consultation, the External Relations Branch provides ongoing relations with the Commission's outside partners, be they government departments, agencies in the health, education, or environment network, standards' organizations, joint sector-based associations, or participants in the construction industry. It coordinates the work of the various joint committees (*Ministère de l'Éducation du Québec, Ministère de la Santé et des Services sociaux, building industry*), and organizes external consultations on draft programs or regulations.

The negotiation sector conducted major activities in 1989. The first involved the agreements aimed at implementing sections of the Acts administered by the Commission, as was the case with Labour Canada and the Québec Pension Board, for example. The next were the professional service contracts on medical assistance: agreements with the Centre François-Chanon, the Association of Paraplegics, negotiations related to outside services in physiotherapy, ergotherapy, computerized tomodensitometry. Finally, several agreements were reached, including drafts or revisions of agreements dealing with various issues, mainly with the IRSST, the *Ministères des Consommateurs et des Sociétés, du Travail, de l'Environnement, de la Santé et des Services sociaux*, etc. It should be further noted that the activities related to negotiations led to the creation of two new joint committees, one with the *Régie de l'assurance-maladie du Québec* (Québec Health Insurance Board), and the other with the *Régie de l'assurance automobile du Québec* (Québec Automobile Insurance Board).

In the area of program evaluation and prospective analyses, management continued or completed several projects during 1989.

Thus, two major program evaluation files were brought to a conclusion: on the one hand, the evaluation of the conduct of activities and the extent to which the objectives of the joint sector-based associations were achieved and, on the other, the evaluation of the operation and effects of the application of the Regulation respecting the prevention program. The department also participated in the assessment of the effects of the *Act respecting occupational health and safety in the mines*.

Evaluation of the second phase of the project *Mieux se prendre en main* was completed in collaboration with the Vice-presidency, Liaison with Beneficiaries.

Similarly, the department cooperated with the Rehabilitation Branch to analyse files on suitable employment, thereby facilitating evaluation of the rehabilitation counsellors' intervention procedure and enabling the counsellors themselves to be better equipped for seeking suitable employment for injured workers.

The department continued to analyse the occupational health and safety clauses contained in collective agreements, as well as the impact of the Act respecting *occupational health and safety* on the content of these clauses. Finally, a policy framework in program evaluation was completed.

In the area of planning, the department completed its analysis of the various environmental factors affecting occupational health and safety in Québec and the main trends arising therefrom: economy, demography, technological and organizational change, and the evolution of the idea of the industrial accident, occupational disease, and accidental event.

To continue and update the analysis of these changing environments, different files are prepared in order to bring out these trends: the occupational health and safety record of the SMEs, biotechnology, and work-related stress.

Finally, comparative analyses of workers' compensation plans and occupational diseases between Québec, and some European countries, the United States, Ontario and British Columbia, are being conducted on an ongoing basis.

OCCUPATIONAL HEALTH SERVICES

In the area of occupational health, the Act respecting *occupational health and safety* accords the public health system a significant role. The 32 hospital centres with a community health department (HC-CHDs) coordinate the implementation of specific health programs within their territory. To this end, the Commission has signed service agreements with each of them since 1981. Within the framework of the occupational health services policies chosen by the Board of Directors, a draft agreement between the Commission and the *Ministère de la Santé et des Services sociaux*, establishing the parties' reciprocal responsibilities in occupational health programs,

and a revised pattern contract for 1990 negotiations were developed in 1989. In addition, as a result of lengthy exchanges with this Ministry the reorganization of occupational health services was able to be set in motion.

In 1989, the sums allotted by the Commission to occupational health services reached $39.1 million, $31.4 million[1] of which were transferred directly to the HC-CHDs. The balance of $7.7 million includes reimbursements of $5.5 million to the *Régie de l'assurance-maladie du Québec*, for physicians' fees and $1.7 million to the *Institut de recherche en santé et en sécurité du travail* for laboratory activities undertaken on behalf of HC-CHDs and their subcontractors. The Commission also paid subsidies to 108 employers in 1989, distributed over 125 establishments containing some 125,000 employees, from sectors not yet designated as priority, $0.5 million in subsidies for maintaining their health service.

Amounts paid to HC-CHDs in 1989 were based on 761 authorized positions on December 31, 1988, for operational teams and the health service program teams responsible for the operation of health programs for the priority groups I, II and III. These amounts have been indexed, in 1989, for operational teams and program teams, in accordance with the rate indicated by the *Ministère de la Santé et des Services sociaux*.

In 1989, to serve the workers in Groups I, II and III, the HC-CHDs relied on 124 health services, 109 of which were administered by CLSCs.

1. This amount includes 1989 surpluses: for the operational teams and program teams, the surpluses to be recovered would be $290,000 and $2,200,000 respectively.

The health services staff sent 19,093 samples, from which the IRSST completed 49,059 analyses. On December 31, 1989, the health network had made some 26,300 chargeable health exams, such as lung X-rays.

In addition to activities related to health programs, the HC-CHDs sent to the Commission in 1989, notices on some 17,000 files concerning the exercise of the right to protective reassignment of pregnant or breast-feeding workers.

SUBSIDIES TO LABOUR AND MANAGEMENT ASSOCIATIONS

In 1989, the Commission granted $2,862,300 to eighteen union associations and $1,946,885 to eleven employer associations to carry out various training and information projects for their members. An additional amount of approximately $400,000 was granted to one employer association and three labour associations for participation in the Commission's work.

JOINT SECTOR-BASED ASSOCIATIONS

Workers and employers who wish to share their experience and obtain professional and technical assistance in prevention may establish a joint sector-based association. Indeed, the Act provides that management and labour associations in an economic sector may reach agreement by consensus to this end. The Commission is mandated to facilitate the creation of these associations, and provide them with subsidies and the necessary technical assistance.

In 1989, thirteen joint sector-based associations were in operation in the following sectors: automobile services; building industry; chemical; clothing; manufacturing of metal and electrical products; manufacturing of transportation equipment and machinery; mines and mining services; municipal affairs; primary textiles; printing; provincial administration; social affairs; transportation and storage.

page 63

PREVENTION EXPENSES - 1989
(in millions of $)

16.7	Occupational health services
0.2	Sponsorships for end of program
14.1	Subsidies to I.R.S.S.T.
11.3	Joint sector-based associations
5.1	Labour and management associations

Total : 67.4 millions of $

In 1989, the Commission granted a total of $10,959,376 in subsidies to these thirteen associations, staffed by 199 employees and serving over 940,000 workers in some 64,500 establishments to enable them to carry out their activities: prevention guides, information and training sessions, technical advice, etc. An additional amount of approximately $230,000 was granted for administration of the agreement covering certificates for courses on safety on construction sites. Each association publishes an annual report on its activities.

PREVENTION-INSPECTION PROGRAMS

A proposal to amend the Regulation respecting the quality of the work environment, and update Appendix A, the limits of exposure to chemical products, was submitted to a Board of Directors' committee for consideration.

The Regulation respecting industrial and commercial establishments was updated to bring the standards contained in this regulation to date and in conformity with the Act respecting occupational health and safety. This regulation is also under consideration by a committee of the Board of Directors.

The Regulation respecting the salubrity and safety of workmen in mines and quarries was completely revised, in collaboration with the Joint Association for Occupational Health and Safety in the mining sector.

A first proposal for categorizing establishments, aimed at allowing prevention regulations to apply to all economic sectors of activity, was submitted to a Board of Directors' committee.

An inspectors' training program on intervention in the problem of air quality in office buildings was completed, while an intervention program on new farm tractors was designed and implemented.

The Review Committee on the Safety Code for the Construction Industry proposed a pre-draft regulation on excavations and trenches. The committee also examined the project on road signs during work on the roads and highways, which was developed by the Ministère des Transports, to integrate the system of road signs with the Highway Safety Code.

Within the framework of information activities, an agreement with the Order of Engineers led to the establishment of editorial collaboration for the *Plan* magazine.

The intervention program on the safe use of mobile and tower cranes was introduced, mainly through an information video on safety during the use of cranes, their systematic inspection, and training and information material.

Intervention programs on concrete pumps and compaction rollers were designed and consultations geared to applying these programs in 1990 are now underway.

A major portion of preventive occupational health activities was devoted to occupational diseases, mainly through the development of various prevention tools intended to reduce the frequency and gravity of these diseases. Also, a file on the problems surrounding the medical monitoring of workers exposed to asbestos was developed. A draft regulation for the protective reassignment of workers exposed to lead is being developed. The medical certificate for the protective reassignment of pregnant or breast-feeding workers is being revised, specifically the section dealing with the medical-environmental report.

The manual, *First-aid in the Workplace*, was completely revised and the techniques contained in this manual have been adapted where necessary. It should appear in its revised form during 1990.

Finally, research resulting from specific demands enabled certain avenues in the field of occupational diseases in Québec and elsewhere to be addressed, including the problem of burnout.

As part of the reorganization of occupational health services, the role and activities of the various participants were revised in relation to the application of the specific health program in the establishment.

The role of the interveners in the prevention of back pain and injuries caused by noise was specified. Tools for planning and follow-up were developed so that the scope of the occupational health service activities could be better defined. This enabled the Commission to identify its needs in terms of management information as well as on the nature of risks and the exposure of workers to these risks.

REHABILITATION AND COMPENSATION PROGRAMS

During 1989, particular attention was given to the writing of the *Recueil des politiques en matière de réadaptation et d'indemnisation*. However, the drafting of the some 41 policies contained in this manual required the cooperation and participation of numerous interlocutors from other vice-presidencies.

In matters of compensation, the accent was placed on the development of tools and policies designed to assist the compensation officers in their often complex duties, namely:

- critical path of the stages of eligibility, which served as a reference in the development of a computer-assisted tool for decision-making;
- compensation policy for voluntary firefighters;
- guide on salary bases retained depending on the nature of the workers' employment;
- policy for eligibility to the protective reassignment of pregnant or breast-feeding workers program.

In the area of rehabilitation, a number of tools were developed to support intervention by rehabilitation counsellors. An ergonomic analysis grid was designed. The aim of this grid is to improve knowledge of the various workstations and provide a better match between functional capacities and the workstations analysed. It facilitates the choice of a solution about returning to work and, if necessary, the adaptation of a workstation. Approximately 75 counsellors have already taken the required training and are now skilled at using it. Within the scope of identifying a suitable employment for the worker, a table of job relationships was designed, to permit the counsellor to identify jobs in one sector of activity based on the broad characteristics of employment held before the injury. Another tool, the Resource Index was subsequently designed this year. This index will enable the counsellors to access a databank of resources, internal as well as external, which will facilitate the choice of a professional or a service that suits the workers' needs.

In the area of curative health services, the program to evaluate and re-educate workers with chronic back pain has now been implemented. This program was first applied at the Centre François-Charron of Québec City. Its goal is to encourage the return to work and improve the quality of life of injured workers. The program is intended to be applied in other centres during 1990. Also, the industrial athlete program was developed. This exploratory project aims to determine if a physiotherapeutic approach similar to that adopted for the professional athletes, that is rapid and intensive, would permit more rapid recuperation.

Finally, a protocol on the outside services in telediagnostics by computer or a pattern agreement have been developed. Because of this protocol, the Commission can better monitor the purchase of this type of diagnostic service so that they meet the specific needs of its users.

VICE-PRESIDENCY, LIAISON WITH BENEFICIARIES

Since its creation in June 1987 the Vice-presidency, Liaison with Beneficiaries, which plays a role similar to that of Commission ombudsman, has received complaints and varied claims from beneficiaries, whom it supports and follows in their course through the Commission and their process of consolidation and rehabilitation. It provides liaison with the *Protecteur du citoyen* and other agencies, government departments and associations involved in the overall problems of injured workers and liaison with beneficiaries. It also deals with beneficiaries experiencing specific difficulties communicating with the Commission, such as the hearing impaired, functional illiterate, allophones. Finally, it is responsible for, among other things, the quality of communications in standard letters, reception, and telephone communications, and it closely monitors the training of the Commission's staff in user-service situations.

PROCESSING OF COMPLAINTS AND REQUESTS FOR INTERVENTION

In 1987, the vice-presidency opened 163 files following requests for interventions. In 1989, 442 beneficiaries appealed to the vice-presidency to explain their grievances and request intervention. Of this number, 22 claims were judged to be inadmissible.

Requests for intervention came from all the regions served by the Commission. The vast majority of the requests were made by the beneficiaries themselves directly to the Commission. However, 46 MNAs and 3 MPs intervened on behalf of their constituents, while 33 requests for intervention were brought forward on behalf of beneficiaries by their representatives (unions, associations, lawyers).

The main reasons the beneficiaries or their representatives address the vice-presidency are:

. dissatisfaction with a decision, a position or a policy taken primarily in rehabilitation or compensation;

. the need for information on the status of their compensation file;

. unreasonable delay by a regional office in issuing a decision or responding to a claim;

. need for psycho-social or financial aid;

. unreasonable delay by a review office in setting up a hearing or issuing a decision;

. an action deemed to be impolite, discriminatory, unreasonable, or appearing to be an abuse of power by a Commission employee or a physician (evaluator or arbitrator).

A file is assigned to an officer from Liaison with Beneficiaries within fifteen days. The processing of the claim takes from one day to three months according to the degree of complexity in the situation.

SERVICE AND SUPPORT TO THE BENEFICIARIES

In 1989, 21 information days on *Pour mieux se prendre en main* were held in all the regions served by the Commission's offices, with the exception of the Gaspé region.

The days, which are geared to injured workers who have been off work for a minimum of three to a maximum of eight months have the following aims as their objective:

. to help beneficiaries become autonomous, by informing them on the medical and psycho-social aspect of their post-accident situation;

. to improve the quality of relations between the Commission and its beneficiaries;

. to show beneficiaries how to be pro-active in face of their return to work.

A total of 1,938 participants, including 1,373 beneficiaries and 565 spouses benefited from these information days in 1989. Depending on the region, each meeting drew 30 to 140 beneficiaries, who were accompanied in a ratio of 30% to 60%. In addition, 73 outside observers (union, employer, injured workers association representatives, political attaches) attended these meetings.

Regional office staff were called on to collaborate in organizing and running meetings. In 1989, over 550 of the Commission's staff, from 14 to 40 persons per regional office, contributed to the success of this activity.

After a written evaluation, a majority of beneficiaries showed a high degree of satisfaction, considering the day as very useful. On the other hand, the commentaries of the Commission's employees clearly show the positive impact of the activity on their relations with beneficiaries and the ir motivation to work.

In 1989, the vice-presidency also developed a video project and a welcome kit for the users. The video is intended to provide information on the plan while the welcome kit will give the users the means to feel at ease. These two projects should be completed in 1990.

During visits to the regions, the vice-presidency also met for a half day with groups of 15 to 30 beneficiaries with their spouses. In Hull, St-Félicien and Baie-Comeau, representatives met with workers suffering from occupational deafness and sought to determine their problems. In the Gaspé region, the Îles de la Madeleine, and New Richmond the department worked to increase its awareness of the specific characteristics of the clientele of these regions.

MONITORING AND THE ADVISORY ROLE

In 1989, the vice-presidency prepared plans for a study to determine how beneficiaries view the quality of services offered by the Commission. This study is expected to be conducted by an outside firm during 1990. It will cover all the regions served by the Commission and include reception and information services, compensation services, rehabilitation and the return to work, taking into account the varied methods of communication the Commission uses in its relations with its beneficiaries.

The Vice President, in consultation with the Vice President, Operations, has presided over a working group on the humanization of the Commission's services. This group produced a report to the Management Committee, suggesting courses of action for the year 1990. The report was used to determine some of the corporative objectives retained in 1990.

The Vice-presidency also exercised its advisory role within the Ad Hoc Committee to review standard letters concerning the eligibility of the beneficiaries requests.

page 67

Towards the end of 1989, the department actively contributed to the work of a Committee on reception and telephony, which was organized by the Vice-presidency, Operations to improve the quality of the Commission's services in these two fields.

VICE-PRESIDENCY, SERVICES

The Vice-presidency, Services is responsible for planning, coordinating, and managing Legal Services, and Human and Material Resources.

HUMAN RESOURCES

The introduction of the Commission's new operating structure was completed in early 1989, therefore, staffing by competition still constituted a major activity this year. The Human Resources Branch therefore had 154 promotion and hiring competitions for all job categories, 101 more than in 1988. These competitions drew over 5,621 applications.

To meet specific human resources development needs, the Commission allowed various groups of employees to participate in training sessions.

A Development Section has also been established to meet, as of 1990, reception, employee assistance, and affirmative action as well as training needs. In 1989, the Section also administered a program to obtain microcomputers for the Commission's employees.

During the implementation of the Commission's new structure, the Human Resources Branch provided advisory support during the complete or partial displacement of certain administrative units, while complying with the provisions in the various collective agreements of its employees.

The year 1989 was also marked by the renewal of working conditions for civil service employees. To this end, the Human Resources Branch developed an action plan aimed at providing adequate logistical support in case of a work dispute.

In addition, the collective agreement renewal, the application of the agreements reached between CUPE and the Quebec government on behalf of the clerical employees, as well as the integration of supervisors, necessitated a salary adjustment and back pay for more than 2,800 of the Commission's employees. Finally, the adjustment in pay for the other employees of the Commission was made in accordance with the guidelines and the collective agreements in force.

MATERIAL RESOURCES

In the area of procurement, the Commission conducted business with 635 suppliers during 1989. Over 2,600 contracts were granted for the acquisition of goods and services, amounting to a total of $28,168,995.

A system for determining inventory by means of an optical scanner was introduced, enabling information on $67 million of movables, office equipment and other durable goods to be rapidly obtained.

In terms of property management, within the scope of the regional restructuring, the amenities of 17 of the 26 establishments occupied by the Commission were modified. This led to changes for a third of the 80,925 square metres of offices occupied by the Commission.

Some 300,000 archival files were microfilmed in 1989, an increase of approximately 48% compared to 1988. As well, at the request of both the Commission's staff and its users, 21,722 files had to be reconstructed, an amount comparable to that of 1988.

A major activity involved the in-house printing of brochures, forms, monographs and other reproductions. The number of cheques sent to beneficiaries was in the range of 1,200,000 in 1989, about the same number than what was reached in 1988.

LEGAL SERVICES

The Legal Services Branch assumes all the Commission's work of a legal nature in its advisory capacity as well as in its role in contentious issues.

The central office, consisting of lawyers from the Québec City head office and the Montréal administration centre, is charged with coordinating all legal-sector, legislative and regulatory files, as well as contentious files that are provincial in nature. It also performs the role of consultant to the Commission's management and the varied services. It coordinates the Commission's interventions before the Commission *des affaires sociales* and the Commission *d'appel en matière de lésions professionnelles*.

In each regional office, a lawyer provides legal counsel to the diverse participants in his region. The regional lawyers process criminal cases and liability lawsuits as well as recovery files for both outstanding employer assessments and overpayments of compensation to the beneficiaries. They also represent the Commission in the administrative and civil courts.

COMMISSION'S REVIEW PROCESS

JOINT REVIEW OFFICES

The review process established through the enforcement of the Act respecting *industrial accidents and occupational diseases* on August 19, 1985, has considerably changed the system that prevailed under *Workmen's Compensation Act* and the *Act respecting occupational health and safety*. Now joint, these new review offices may now hear appeals related to most of the Commission's decisions, except medical matters. Each review office is made up of three members, a chairperson appointed by the CSST, a worker representative and an employer representative. The latter two are chosen from a list drawn up by the respective members of the CSST's Board of Directors. The Chairperson and the members are appointed for a one-year, renewable term. The decisions rendered by the offices must be unanimous or majority decisions.

Together, these offices comprise 92 presidents, spread in 18 regional offices, 4 of which were opened during 1989.

The number of requests received by the joint review offices stabilized in 1989, while 16,855 requests were received. The review offices received 16,064 requests for review in 1988, compared to 10,195 in 1987, a 57% increase.

In 1989, compensation was the subject of 85% of the requests for revision, financing, 7%, prevention-inspection, 2%, disciplinary measures and the protective reassignment of pregnant workers, 6%. 70% of the requests came from workers, compared to 76% in 1988, and 30% from employers, compared to 24% in 1988.

During last year, 10,061 hearings were held and 8,788 decisions handed down. Of these, 82% were unanimous and 18% majority decisions. Initial decisions were upheld in 60% of the cases and modified in 40%. A total of 41% of the workers requests and 33% of employer requests were accepted.

The average amount of time taken for a decision by the offices is relatively stable (30 to 35 days). However, the average time period between receipt of a request and the hearing date increased considerably over the last two years.

In August 1989, a correction plan was developed and implemented in order to reduce the delays. Since October 1989, the offices managed to close more files than they received. The delays have begun to be eliminated. The objective of processing all the files within a three month period, should be reached in December 1991.

REVIEW REQUESTS RECEIVED AND DECISIONS HANDED DOWN BY THE JOINT REVIEW OFFICES (1987-1989)

Review Requests Received	1989	1988	1987
Compensation			
Requests from workers	10,041 (64 %)	11,035 (69%)	5,807 (57%)
Requests from employers	3,475 (21%)	2,428 (15%)	1,270 (12%)
Financing			
Requests from workers	19 (0%)	30 (0%)	14 (0%)
Requests from employers	1,104 (7%)	1,035 (6%)	849 (8%)
Prevention-Inspection			
Requests from workers	76 (1%)	101 (1%)	71 (1%)
Requests from employers	224 (1%)	140 (1%)	108 (2%)
Disciplinary measures and protective reassignment of pregnant or breast-feeding workers			
Requests from workers	867 (5%)	1,048 (6%)	1,150 (11%)
Requests from employers	249 (1%)	239 (2%)	918 (9%)
Total partial			
Requests from workers	11,803 (70%)	12,214 (76%)	7,050 (69%)
Requests from employers	5,052 (30%)	3,850 (24%)	3,145 (31%)
TOTAL	16,855	16,064	10,195

Decisions Handed Down	1989 Initial Decision		1988 Initial Decision		1987 Initial Decision	
	Maintained	Modified	Maintained	Modified	Maintained	Modified
Requests from workers	4,194 (59%)	2,946 (41%)	2,794 (65%)	1,497 (35%)	1,372 (65%)	726 (35%)
Requests from employers	1,101 (67%)	547 (33%)	720 (65%)	384 (35%)	826 (66%)	419 (34%)
Total partial	5,295 (60%)	3,493 (40%)	3,514 (65%)	1,881 (35%)	2,178 (66%)	1,145 (34%)
TOTAL	8,788		5,395		3,323	

REVIEW OFFICE WCA

Review Office operations for cases under the *Workmen's Compensation Act* (WCA) are centralized into two offices, one in Montréal and the other in Québec City. During 1989, these review offices received 1,408 requests and settled 2,130 files. On December 31, 1989, the number of active files under WCA review was 686.

In 1989, a high proportion of review requests, 86.4%, came from workers. The cases mainly dealt with the assessment of permanent disability (50%), the right to benefits (13%), total temporary disability (6%), social rehabilitation (8.4%), and medical assistance, (4.6%). The review offices upheld the initial decision in 53% of the cases, modified it in 41%, and declined jurisdiction in 6% of the cases.

The WCA review office will be integrated with the Review Office branch as of January 1, 1990.

REVIEW OFFICE - CVC - GOOD CITIZENSHIP

The review office for compensation of the victims of criminal acts or acts of good citizenship had 140 active files at the beginning 1989. It received 261 new requests and issued 245 decisions during this period, thus bringing the balance of active files at year's end to 156.

In 1989, requests for review dealt mainly with the assessment of permanent disability, the concept of serious offense and the absence of criminal act. The review office upheld the initial decision in 63.3% of the cases, modifying it in 24.5%.

The review office - CVC - Good Citizenship will be integrated with the Review Office branch as of January 1, 1990.

APPEALS TO THE COMMISSION DES AFFAIRES SOCIALES AND THE COMMISSION D'APPEL EN MATIÈRE DE LÉSIONS PROFESSIONNELLES

In 1989, 668 appeal statements were produced in the *Commission des affaires sociales* in areas under CSST jurisdiction. During the same period, the C.A.S. handed down 1,358 judgments, 784 or 57% of which upheld review-office decisions, while 574 (43%) modified them. On December 31, 1989, the C.A.S. had 5,597 CSST files on hand.

For the *Commission d'appel en matière de lésions professionnelles*, it received approximately 1,750 statements of appeal on matters relevant to the jurisdiction of the joint review offices (approximately 20% of the decisions issued). It issued 600 decisions on these matters, 50% of which were accepted and 50%, dismissed.

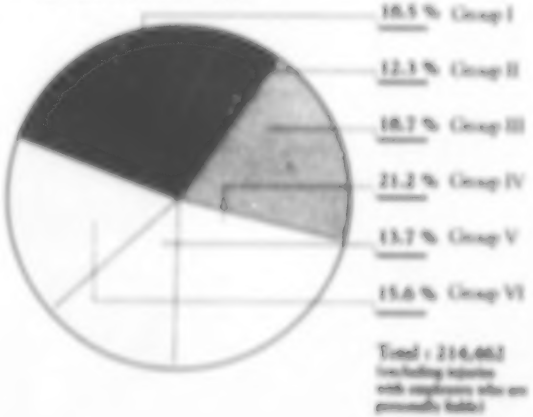
In addition, the *Commission d'appel en matière de lésions professionnelles* received approximately 3,260 appeal statements following Commission's decisions arising from medical arbitration or a notice from the Committee on Lung Diseases. It handed down 680 decisions on this matter, 63% of which accepted and 37% dismissed the appeal.

STATISTICS BY REGION (1989)

REGIONAL OFFICE OF THE COMMISSION	Establishments	Control	Assistance	Evaluation	Investigation	Complaint	Refusal	Dispute
Abitibi – Témiscamingue	5,983	341	13	204	35	153	13	2
Bas - Saint - Laurent	7,922	366	10	97	26	83	8	3
Chaudière - Appalaches	15,121	617	49	107	43	233	4	6
Côte - Nord	3,326	304	8	74	39	114	16	0
Estrie	9,672	712	159	120	25	246	7	12
Gaspésie – Îles-de-la-Madeleine	3,701	189	11	50	14	26	2	0
Île-de-Montréal - 1	3,764	1,269	16	306	14	802	1	9
Île-de-Montréal - 2	15,503	150	11	72	3	350	7	13
Île-de-Montréal - 3	7,045	221	13	31	7	295	45	84
Île-de-Montréal - 4	17,950	167	45	052	13	366	35	9
Île-de-Montréal - 5	8,240	230	14	17	11	301	19	0
Lanaudière	10,222	312	6	44	35	101	4	1
Laurentides	11,951	575	53	52	8	284	26	1
Laval	7,909	416	11	49	44	201	6	0
Longueuil	9,995	324	15	109	52	261	14	5
Mauricie – Bois-Francs	17,063	308	30	402	34	211	13	0
Nouveau - Québec*	152	81	0	24	8	3	1	0
Outaouais	6,206	185	6	45	22	123	3	0
Québec	18,553	720	212	227	75	437	23	0
Richelieu - Salaberry	12,866	331	165	64	35	169	17	22
Saguenay - Lac-Saint-Jean	9,656	590	54	316	130	312	23	2
Yamaska	10,667	375	103	35	22	162	19	4
TOTAL	213,550	8,791	1,004	3,297	700	5,233	308	173

page 74

DISTRIBUTION OF EMPLOYMENT INJURIES ACCEPTED AND COMPENSATED, BY PRIORITY GROUP - 1989



Prevention Mechanisms in Establishments			Files Opened, by Category			
Prevention Program[1]	Health and Safety Committee[2]	Safety Representative[3]	Accidents Accepted and Compensated	Diseases Accepted and Compensated	Preventive Reassignment[4]	Deaths Occurred during the Year[5]
131	65	56	6,986	130	383	11
159	31	9	3,927	86	598	12
219	93	22	15,322	675	1,265	16
53	15	2	2,005	60	322	10
155	16	10	10,606	220	1,096	13
62	12	2	1,890	74	251	2
80	2	1	3,934	17	1	3
64	26	7	12,403	86	953	2
152	1	0	12,019	121	1,808	6
218	30	35	13,270	92	1,147	5
131	6	5	12,083	41	799	0
105	13	5	12,394	606	632	14
136	36	17	13,796	654	1,095	5
112	14	6	11,194	33	560	2
124	52	23	15,869	156	850	9
239	68	10	13,995	652	774	0
1	0	0	—	—	—	—
94	15	0	4,994	75	925	5
261	65	10	17,256	699	1,930	16
167	60	20	15,509	178	1,183	6
195	69	11	6,656	178	852	10
129	29	6	11,301	505	1,013	8
2,987	658	316	214,755[7]	6,600[7]	18,063	181

1. Data dated March 1, 1990.

2. In Group I, II and III establishments of 21 employees or more. Only programs submitted to the Commission are accounted for here.

3. In Group I and II establishments of 21 employees or more. Only committees and representatives for which the Commission received a notice of constitution and appointment are accounted here.

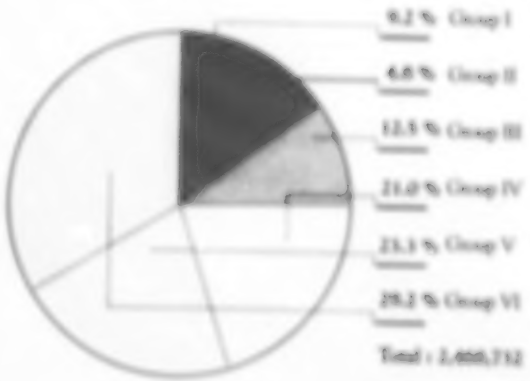
4. Files opened in 1989 relating to the exercise of the right to preventive reassignment for pregnant or breast-feeding workers.

5. Of these deaths, 158 are related to work accidents and 23 to occupational diseases. According to data compiled by the Commission's Prevention Inspection Services, there were 112 fatal accidents in the workplace in 1989 causing 120 sudden deaths.

6. Files for employment injuries to Nouveau-Québec workers were opened in their area of residence.

7. These figures include files opened during the year and in which a death was noted.

DISTRIBUTION OF BUSINESS BY PRIORITY GROUP - 1989



STATISTICS BY SECTOR OF THE ECONOMY (1989)*

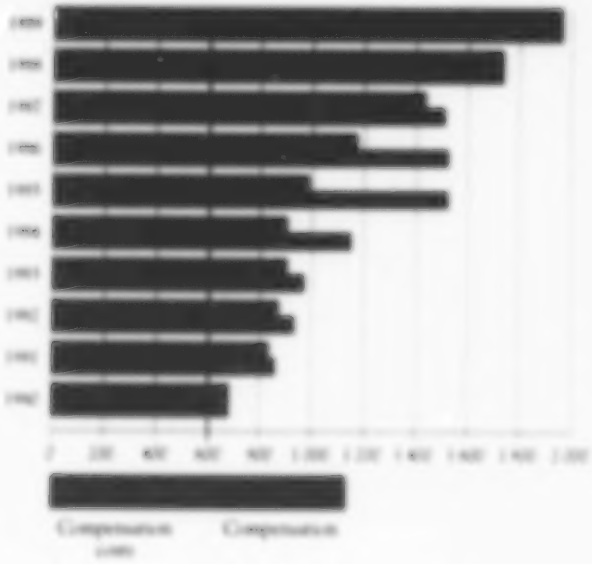
SECTOR OF ECONOMIC ACTIVITY	Establishments[1]	Workers Covered[2]	Prevention-Inspection Interventions Files[3]						
			Control	Assistance	Evaluation	Investigation	Complaint	Refusal	Dispute
Group I									
Buildings and public works	21,078	110,514	1,992	20	1,069	101	298	1	9
Chemical industry	531	27,904	99	99	128	13	62	4	2
Forestry and sawmills	2,956	21,759	398	29	175	42	24	2	3
Mines, quarries and oil wells	977	17,535	154	14	128	41	68	11	4
Manufg. of metal products	2,521	36,277	230	51	430	24	174	14	0
Group II									
Wood industry (except sawmills)	1,606	17,654	173	59	75	15	61	2	0
Rubber and plastic products industry	622	17,218	75	59	113	7	89	7	2
Transportation equipment manfg.	519	62,175	106	59	58	8	73	18	5
Primary processing of metals	197	25,809	69	25	28	20	65	20	5
Manufg. of non-metal mineral prod.	686	13,660	108	17	65	9	69	12	0
Group III									
Public administration	5,264	150,758	218	66	95	18	229	26	1
Food and beverage industry	1,307	99,197	104	69	52	16	109	6	5
Furniture and furnishings industry	1,469	21,372	129	36	9	14	62	4	0
Paper industry and related services	298	63,795	107	44	69	46	95	12	2
Transportation and storage	7,609	93,691	191	47	69	17	194	29	0
Group IV									
Trade	54,831	950,229	981	79	60	61	663	8	7
Leather industry	298	2,591	59	9	2	0	51	0	4
Manufacturing of machinery (except electrical)	610	25,688	77	7	15	9	99	4	0
Tobacco industry	10	2,262	1	1	0	1	0	0	0
Textile industry	677	30,678	60	31	7	1	60	5	1
Group V									
Other business and personal services	60,098	815,157	341	99	156	93	994	14	7
Communications, power distr. and other public services	2,621	66,867	91	59	50	56	91	61	0
Printing, publishing and related services	2,521	34,897	97	59	9	6	64	2	5
Manufacturing of oil and coal products	28	5,177	8	0	6	2	7	1	0
Electrical products	840	34,015	66	19	7	7	60	10	6
Group VI									
Agriculture	15,186	17,527	93	6	2	11	21	1	0
Hosiery and apparel	2,675	66,087	73	21	7	1	89	0	2
Education and related services	5,388	207,622	94	36	2	8	177	9	6
Finance, insurance and real estate	15,556	149,501	63	8	10	7	133	9	4
Medical and social services	11,989	286,684	242	45	1	21	287	24	92
Hunting and fishing	634	502	0	0	2	1	0	0	0
Miscellaneous manufacturing industries	1,160	21,084	27	8	2	4	51	1	1
Unclassified Min	6,394	0	926	93	530	65	934	13	9
Uninsured employers									
TOTAL	**213,550**	**2,668,752**	**6,791**	**1,804**	**3,297**	**720**	**5,233**	**308**	**171**

Files Opened, by category			Deaths Occurred during the Year[3]	Financing[4]			
Accidents Accepted and Compensated	Diseases Accepted and Compensated	Protective Reassignment[5]		Employers' Files[7]	Assessments[8] (millions $)	Estimated Payroll[9] (millions $)	Average Assessment rate[10]
17,256	200	40	50	22,256	237.81	2,416	9.84
1,977	46	58	2	681	15.22	675	2.25
5,010	119	17	9	3,180	50.22	677	7.42
2,383	560	12	25	997	47.17	645	7.30
12,096	577	84	6	2,602	94.55	1,014	9.35
6,560	91	55	3	1,616	30.66	577	5.62
4,710	123	275	0	565	16.42	428	3.83
6,947	301	87	1	525	60.16	1,151	5.60
3,747	95	27	5	158	36.03	893	4.03
3,736	68	24	3	563	27.26	397	6.99
8,996	97	151	7	2,659	67.70	6,215	2.18
12,766	658	327	1	1,618	67.51	1,636	4.32
5,272	110	99	1	1,541	21.18	611	5.25
6,610	150	62	3	252	86.22	1,502	2.81
8,259	96	99	22	7,776	86.15	1,519	5.66
33,895	552	3,517	26	60,211	592.26	8,529	2.26
1,383	159	260	0	260	4.01	163	2.46
5,167	94	16	2	300	27.60	466	5.82
230	5	3	0	12	2.31	95	2.43
6,151	78	116	0	964	30.78	598	5.49
18,165	941	1,600	16	66,386	92.25	6,928	1.31
4,270	50	45	6	1,968	23.81	2,126	1.92
2,531	67	523	1	2,295	16.46	921	1.67
101	0	0	0	21	1.44	61	2.36
1,698	178	160	0	982	19.28	1,156	1.71
1,628	62	155	3	15,160	15.26	265	5.69
1,579	539	1,175	0	2,895	15.00	1,092	1.42
3,529	33	615	1	1,385	25.06	5,285	0.63
1,566	25	669	3	2,551	18.43	3,505	0.51
19,904	190	4,867	1	10,277	117.43	5,561	2.11
42	0	0	1	502	0.92	8	12.25
1,869	72	163	0	1,208	7.96	312	2.56
520	60	956	5	0	0	0	0
6,670	86	13	6	—	—	—	—
214,708 [11]	6,666 [11]	10,043	181	185,283	1,861.09	56,516	2.68

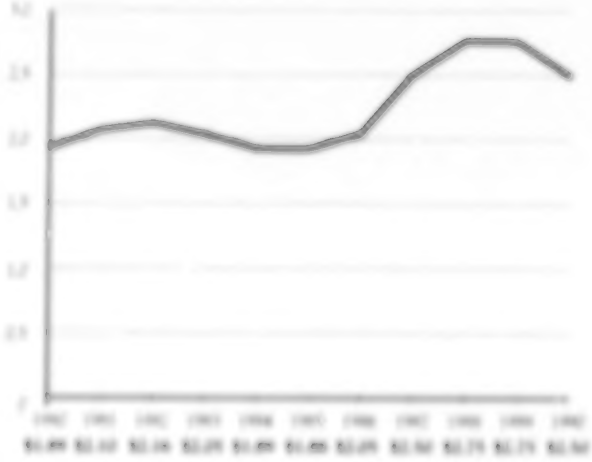
1. Data dated March 1, 1990.
2. These data may include establishments that were no longer in operation, but for which the Commission had not yet received notice of closure or had not yet recorded the closure if it had been notified. By the same token, it does not include establishments which started operating some time before December 31, 1989, but for which the Commission had either not been notified of the opening, or had not yet recorded.
3. Source: Statistics Canada, Cat. No. 72-002, except for Agriculture, Hunting and Fishing, Public Administration, and Transportation and Storage. For these four sectors, this is an estimate based on the payroll and average income of victims of employment injuries.
4. Claims recorded in 1989 under the right to protective reassignment for pregnant or breastfeeding workers.
5. Of these deaths, 158 are related to a work accident and 23 to occupational diseases. According to data compiled by the Commission's Prevention and Inspection Services, there were 112 fatal accidents in the workplace in 1989 causing 128 sudden deaths.
6. Assessed employers, including personal protection.
7. Financial files of employers whose assessment was at least $0.01, or that declared at least $1 in total payroll. This figure includes financial files of employers who operated for only part of 1989.
8. Assessments for 1989. Assessments do not include 1989 amounts collected for arrears dating from before 1989.
9. Final total payroll or estimate recorded in the files on March 2, 1990.
10. The average rate presented here is the percentage of assessments paid on the total payroll. It differs from the nominal rate of $2.75 for 1989.
11. These figures include files opened during the year and in which a death was noted.

* The Commission's Statistical Department will publish additional statistical data, supplementary to the 1989 annual report during 1990.

DISBURSEMENTS VS COMPENSATION COSTS, 1982 to 1999
(in millions of $)



EVOLUTION OF THE AVERAGE ASSESSMENT RATE - 1982 to 1992



*Nominal assessment rate for a year, as established during the previous year after various estimates. This rate does not necessarily correspond to the assessment actually collected after the fiscal year.

1982	1,89	1988	1,89
1983	2,10	1989	2,05
1984	2,16	1990	2,50
1985	2,23	1991	2,73
1986	1,89	1992	2,50

INCOME AND EXPENDITURE AND OTHER FINANCIAL STATISTICS (1980-1989)
(in millions of $)

INCOME AND EXPENDITURE

	1980	1981*	1982*	1983	1984*	1985*	1986	1987	1988	1989
Income										
Employer assistance	555.7	604.5	667.4	559.6	697.8	751.3	945.7	1,186.2	1,437.7	1,550.2
Investment income and interest on assessments	133.1	186.2	218.5	309.1	212.0	229.6	255.9	267.1	315.2	428.7
Other income	2.1	3.6	2.0	2.5	9.8	9.9	5.3	2.6	1.1	7.6
Total income	660.9	854.1	887.9	921.2	919.6	990.8	1,106.9	1,455.9	1,754.0	1,986.5
Expenditure										
Compensation programs[1]	555.1	727.3	791.1	825.7	921.7	1,272.5	1,250.5	1,176.6	1,025.9	1,239.1
Protective management of pregnant or breast-feeding workers program	—	7.6	14.3	11.6	19.5	29.9	52.2	97.3	99.2	94.2
Prevention programs	5.6	19.7	32.2	38.2	58.8	58.7	62.5	64.6	68.3	67.6
Administration expenses	92.7	86.3	94.9	88.4	125.6	129.6	119.5	114.9	142.5	168.6
Other costs	8.7	24.3	15.6	28.3	15.7	18.8	22.5	16.9	19.8	96.3
Increase in provision for decisions concerning the real rate of return	—	—	—	—	26.7	69.6	93.1	106.1	172.2	162.2
Provision for reimbursement of assessments	—	—	—	—	—	—	—	—	187.2	25.6
Write-off of costs of developing computer systems	—	—	—	—	—	—	—	10.2	—	—
Total expenditure	627.1	865.2	945.7	968.2	1,167.9	1,598.7	1,562.3	1,526.6	1,692.9	1,793.2
Excess of income over expenditure[2]	83.0	(10.9)	(57.8)	(47.0)	(220.2)	(560.9)	(455.4)	(90.7)	60.1	213.3

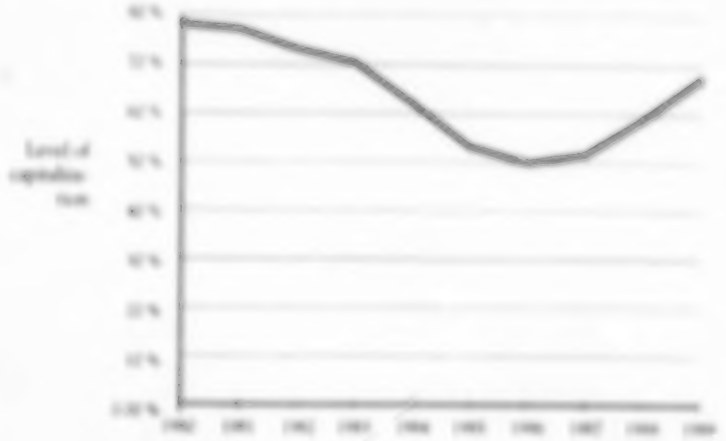
* According to the adjusted financial statements.

1. For the year 1980, the cost of compensation programs includes the cost resulting from the interim provisions (Chapter XVI, Section II, R.S.Q., c. A-3.001) for an amount of $206.7 million.

2. For the years 1984 to 1988 inclusive, the result of the fiscal year includes the unfinanced expense under the method of financing set out in the Act before the amendment that took effect in 1989.

page 214

EVOLUTION OF THE LEVEL OF CAPITALIZATION - 1982 to 1989



OTHER FINANCIAL STATISTICS (in millions of $)

	1980	1981 *	1982 *	1983	1984 *	1985	1986	1987	1988 *	1989
Assets[1]	1,416.5	1,307.2	1,897.8	2,091.5	2,117.3	2,166.9	2,234.0	2,521.6	3,223.1	3,877.0
Cash and short-term deposits less outstanding cheques	52.4	109.6	121.4	41.8	(8.3)	1.8	(2.6)	220.0	350.2	256.9
Funds entrusted to C.D.P.Q.	1,219.4	1,460.6	1,650.0	1,865.2	1,941.5	1,944.3	1,998.7	2,052.6	2,677.5	3,586.2
Liabilities[2]	1,809.8	2,203.0	2,577.4	2,958.2	3,440.2	4,017.7	4,462.1	4,882.0	5,480.3	5,892.2
Provision for deviations concerning the real rate of return[3]	—	—	—	—	26.7	76.1	129.2	235.3	607.4	560.6
Actuarial reserve[2 and 4]	1,789.6	2,179.8	2,562.8	2,892.1	3,334.9	3,866.6	4,262.1	4,537.4	4,657.6	4,927.2
Unfunded liability[4]	593.3	695.8	679.6	866.7	1,322.9	1,870.8	2,228.1	2,360.4	2,257.3	2,015.1
Actual insurable total payroll (billions of $)	29.0	33.3	34.6	37.1	40.4	42.7	45.6	48.8	52.3	55.8
Maximum annual insurable earnings	$ 21,500	$ 23,500	$ 26,000	$ 29,000	$ 31,500	$ 33,000	$ 34,500	$ 35,500	$ 36,500	$ 38,000
Average assessment rate (decreed)	$ 1.89	$ 2.10	$ 2.16	$ 2.05	$ 1.89	$ 1.88	$ 2.05	$ 2.50	$ 2.75	$ 2.75
Average assessment rate (actual)[5]	$ 1.80	$ 1.94	$ 1.98	$ 1.89	$ 1.77	$ 1.79	$ 2.04	$ 2.41	$ 2.69	$ 2.71
Level of capitalization	28.3 %	27.5 %	73.6 %	20.7 %	61.5 %	53.4 %	50.1 %	51.7 %	58.8 %	65.8 %

* According to the adjusted financial statements.

1. Adjusted for 1980 to 1982 inclusive, to take into account posted costs transferred to the unfunded liability in 1983.

2. Adjusted for 1980 to 1982 inclusive, to take into account the variance between the mathematical and notional reserve recorded in the books in 1983, and for 1984 to 1988 inclusive, to take into account the new presentation, adopted in 1989, to present the provision for deviations concerning the real rate of return as a distinct entry in the Commission's financial statements.

3. Adjusted for 1984 to 1988 inclusive, to present the provision for deviations concerning the real rate of return separately from the actuarial reserve.

4. Adjusted for 1980 to 1982 inclusive to take into account the posted costs transferred to the unfunded liability in 1983, as well as the deviation between the mathematical and notional reserve recorded in the books in 1983.

5. This rate is established on the basis of the actual total payroll estimated at the end of the fiscal year for the purposes of the production of the financial statements.

HEAD OFFICE

524, rue Boundagee
P.O. Box 1200, Postal Terminal
QUÉBEC (Québec)
G1K 7E2
(418) 643-5650
Fax: (418) 643-2236

ADMINISTRATIVE CENTRE

1199, rue de Bleury
P.O. Box 6056
Postal Station A
MONTRÉAL (Québec)
H3C 4E1
(514) 873-7565
Fax: (514) 873-2011

CSST REGIONAL OFFICES

ABITIBI—TÉMISCAMINGUE
33, rue Gamble Ouest
ROUYN (Québec)
J9X 2R3
(819) 797-6191
Fax: (819) 762-9325

1355, chemin Sullivan
VAL-D'OR (Québec)
J9P 1M2
(819) 824-2724
Fax: (819) 874-2522

BAS-SAINT-LAURENT
180, rue des Gouverneurs
RIMOUSKI (Québec)
G5L 8G1
(418) 722-3717
Fax: (418) 722-1968

CHAUDIÈRE-APPALACHES
777, rue des Promenades
P.O. Box 2217
SAINT-ROMUALD (Québec)
G6W 6J3
(418) 839-2500
Fax: (418) 839-2498

CÔTE-NORD
Au Grand Passage
690, boulevard Laure, Suite 20
SEPT-ÎLES (Québec)
G4R 4N8
(418) 962-2031
Fax: (418) 965-3230

235, boulevard Laudle
Secteur Marquette
BAIE-COMEAU (Québec)
G4Z 1S7
(418) 296-1696
Fax: (418) 296-5691

ESTRIE
1335, rue King Ouest
SHERBROOKE (Québec)
J1J 2B8
(819) 821-5000
Fax: (819) 820-3927

GASPÉSIE—ÎLES-DE-LA-MADELEINE
168, boulevard Gaspé
P.O. Box 5000
GASPÉ (Québec)
G0C 1R0
(418) 368-5510
Fax: (418) 368-6311

200, boulevard Perron Ouest
P.O. Box 939
NEW RICHMOND (Québec)
G0C 2B0
(418) 392-5091
Fax: (418) 392-5626

ÎLE-DE-MONTRÉAL
1, complexe Desjardins
Tour du Sud, 31st Floor
P.O. Box 3, Station Desjardins
MONTRÉAL (Québec)
H5B 1H1
(514) 873-3990
Fax: (514) 873-2057

LANAUDIÈRE
632, rue de Lanaudière
P.O. Box 550
JOLIETTE (Québec)
J6E 7N2
(514) 753-2600
Telex: 052-68658
Fax: (514) 756-6832

LAURENTIDES
1000, rue Labelle
SAINT-JÉRÔME (Québec)
J7Z 5N6
(514) 431-6000
Fax: (514) 436-7732

LAVAL
1700, l'ondevard Laval
LAVAL (Québec)
H7S 2G6
(514) 668-7600
Fax: (514) 668-1176

LONGUEUIL
25, boulevard Lafayette
LONGUEUIL (Québec)
J4K 5B7
(514) 442-6200
Fax: (514) 871-6155

MAURICIE—BOIS-FRANCS
1055, boulevard des Forges
2nd Floor, Suite 200
TROIS-RIVIÈRES (Québec)
G8Z 4J9
(819) 372-3400
Fax: (819) 371-6971

NORD-OUEST-QUÉBEC
P.O. Box 600
RADISSON (Québec)
J0Y 2X0
0-819-638-8978
Fax: (819) 638-7560

OUTAOUAIS
15, rue Gamelin
P.O. Box 454
HULL (Québec)
J8Y 6N5
(819) 778-8600
Fax: (819) 772-3966

QUÉBEC
730, boulevard Chauveau Est
P.O. Box 6900, Postal Terminal
QUÉBEC (Québec)
G1K 7S6
(418) 643-5860
Fax: (418) 643-8366

RICHELIEU-LALABERRY
145, boulevard Saint-Joseph
P.O. Box 100
SAINT-JEAN-SUR-RICHELIEU (Québec)
J3B 6Z1
(514) 359-2100
Fax: (514) 359-1307

9, rue Nicholson
P.O. Box 478
VALLEYFIELD (Québec)
J6S 4V7
(514) 377-6200
Fax: (514) 377-8226

SAGUENAY—LAC-SAINT-JEAN
Place du Fjord
901, boulevard Talbot
P.O. Box 5400
CHICOUTIMI (Québec)
G7H 6P8
(418) 696-5200
Fax: (418) 545-3545

Complexe du Parc
120a, boulevard Sacré-Cœur
6th Floor
SAINT-FÉLICIEN (Québec)
G8K 2P8
(418) 679-5663
Fax: (418) 679-5931

371, 3e rue
CHIBOUGAMAU (Québec)
G8P 1N1
(418) 748-3169

YAMASKA
2710, rue Bachand
P.O. Box 430
SAINT-HYACINTHE (Québec)
J2S 7B8
(514) 771-3900
FAX: (514) 773-8126

66, rue Court
GRANBY (Québec)
J2G 4Y5
(514) 378-7971

26, place de l'Entrepôt
SOREL (Québec)
J3P 7E3
(514) 743-2727

Gouvernement
du Québec